

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**IN THE MATTER OF:**



MAHS Reg. No.: 15-020379  
Issue No.: 2001, 3001  
Agency Case No.: [REDACTED]  
Hearing Date: January 12, 2016  
County: OAKLAND 2

**ADMINISTRATIVE LAW JUDGE:** Gary Heisler

**HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on January 12, 2016, from Lansing, Michigan. The Petitioner was represented by himself. The Department of Health and Human Services (Department) was represented by Assistance Payments Worker [REDACTED] and Assistance Payments Supervisor [REDACTED]

**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) on October 1, 2015?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Claimant was an ongoing recipient of Medical Assistance (MA) and Food Assistance Program (FAP) benefits. Claimant was due for eligibility redetermination by October 1, 2015.
2. On August 12, 2015, Claimant received an \$ [REDACTED] refund from a terminated Michigan Education Trust Educational Benefits Contract.
3. On September 1, 2015, Claimant submitted his Redetermination (DHS-1010) form and required verifications which included a bank statement.
4. On September 30, 2015, Claimant was sent a Notice of Case Action (DHS-1605) which stated his Food Assistance Program (FAP) would close October 1, 2015 for excess assets. Claimant was also sent a Health Care Coverage Determination

Notice (DHS-1606) but it did not state anything about his Medical Assistance (MA) eligibility for October 1, 2015 ongoing.

5. On October 28, 2015, Claimant submitted a hearing request.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-119b, and Mich Admin Code, R 400.3001-.3011.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

During this hearing Claimant did not dispute receiving the \$ [REDACTED] refund. The bank statement Claimant submitted as verification (Pages 16-18) was for the time period July 15, 2015 through August 14, 2015. The ending balance shown for August 14, 2015 was \$ [REDACTED]. The printed asset tests the Department submitted used a liquid asset amount of \$ [REDACTED]. Bridges Administration Manual (BAM) 400 Assets, contains the Department's policy guidance on eligibility determination. The asset limit for Food Assistance Program (FAP) eligibility is \$ [REDACTED] and for Claimant's Medical Assistance (MA) category (SSI-Related) the asset limit is \$ [REDACTED]. Regarding determination of Food Assistance Program (FAP) eligibility, page 3 provides:

#### **FIP, RCA, SDA AND FAP ASSET ELIGIBILITY**

#### **FIP, RCA, SDA and FAP**

#### **Policy Overview**

Determine asset eligibility prospectively using the asset group's assets from the benefit month. Asset eligibility exists when the group's countable assets are less

than, or equal to, the applicable asset limit at least one day during the month being tested.

**Note:** For FAP, Bridges budgets all countable assets for ineligible and/or disqualified individuals. All assets of non-group members such as ineligible students, furloughed prisoners, etc., will be excluded by Bridges.

### **Application**

At **application**, do not authorize FIP, RCA, SDA or FAP for future months if the person has excess assets on the processing date.

**Exception:** If the FAP group meets categorical eligibility within 30 days of application, FAP eligibility is effective the date of application. If the FAP group meets categorical eligibility criteria after 30 days, FAP eligibility is effective on the date FIP or SDA is approved.

### **Pending Application Months**

For pending FIP, RCA, SDA and FAP applications, use asset policy that is in effect for the month for which eligibility is being determined.

Regarding determination of Medical Assistance (MA) eligibility, page 6 provides:

### **MA ASSET ELIGIBILITY**

#### **G2U, G2C, RMA, and SSI-Related MA Only**

Asset eligibility is required for G2U, G2C, RMA, and SSI-related MA categories.

Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested.

At **application**, do not authorize MA for future months if the person has excess assets on the processing date.

The Department provided no explanation of how the liquid asset amount of \$6,616.18 was determined. Because policy refers to months, the bank statement which spanned July 15, 2015 to August 14, 2015 could not be used as the source for August, September, or October. Neither could the bank statement be used to determine Claimant's asset amount on the processing date of his redetermination, September 30, 2015.

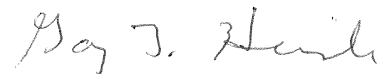
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) on October 1, 2015.

**DECISION AND ORDER**

Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) re-determination and process in accordance with Department policy.
2. Issue Claimant a current notice of his re-determined eligibility.



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Gary Heisler  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Mailed: **1/25/2016**

GH/nr

**NOTICE OF APPEAL**: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date. A copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from MAHS within 30 days of the mailing date of this Hearing Decision, or MAHS **MAY** order a rehearing or reconsideration on its own motion. MAHS **MAY** grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

cc:

