



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: December 7, 2016
MAHS Docket No.: 16-014736
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 [REDACTED], from Detroit, Michigan. Petitioner appeared and was represented by his friend, [REDACTED], who also testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], manager.

ISSUE

The issue is whether MDHHS properly determined Petitioner's Food Assistance Program (FAP) eligibility.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was an ongoing FAP benefit recipient.
2. Petitioner was a member of a 1-person FAP benefit group.
3. Petitioner has no medical expenses which are not likely to be covered by Medicaid.
4. Petitioner failed to report a water bill obligation to MDHHS.

5. On an unspecified date, MDHHS determined Petitioner was eligible for [REDACTED] in FAP benefits, effective [REDACTED], in part, based on [REDACTED] medical expenses or credit for paying a water bill.
6. On [REDACTED], Petitioner requested a hearing to dispute FAP eligibility for [REDACTED].

CONCLUSIONS OF LAW

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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute FAP eligibility. It was not disputed that Petitioner's FAP eligibility was reduced from [REDACTED] beginning [REDACTED]. MDHHS has since updated Petitioner's FAP eligibility for [REDACTED] to reflect a [REDACTED] issuance.

MDHHS testimony explained the drastic benefit reduction by claiming previous FAP issuances improperly excluded Petitioner's income. Though the MDHHS testimony was credible, the explanation does not ensure that a proper determination was made for [REDACTED]. BEM 556 details the procedures for determining FAP eligibility.

MDHHS presented various FAP budget pages (Exhibit 1, pp. 1-3) for [REDACTED]. All listed budget factors were discussed with Petitioner during the hearing.

MDHHS factored an unearned income of [REDACTED]. Petitioner testimony conceded the budgeted income to be correct.

[MDHHS] uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (October 2015), p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, MDHHS considers the following expenses: child care, excess shelter (housing and utilities) up to a capped amount and court-ordered child support and arrearages paid to non-household members (see *Id.*). For groups containing SDV members, MDHHS also considers the medical expenses above [REDACTED] for each SDV group member(s) and an uncapped excess shelter expense. It was not disputed Petitioner was an SDV member.

Verified countable medical expenses for SDV groups, child support, and day care expenses are subtracted from a client's monthly countable income. Petitioner conceded not having child support or day care expenses. Medical expenses were disputed.

Petitioner testified he has ongoing Medicaid coverage. Petitioner also testified he typically does not incur medical expenses when he has Medicaid coverage. Petitioner testified there was a period, beginning in [REDACTED], when he did not have Medicaid and incurred medical expenses. MDHHS responded that Petitioner has a pending Retroactive Medicaid Application which is expected to be approved. Petitioner testimony essentially conceded a Medicaid approval would cover his unpaid expenses.

The present hearing does not concern Medicaid, however, Petitioner's Medicaid eligibility dictates whether MDHHS should have factored medical expenses in Petitioner's FAP budget. There was no evidence that Petitioner previously reported medical expenses. Based on MDHHS' testimony, there is a likelihood that MDHHS will cover Petitioner's previously incurred expenses. For these reasons, it is probable that MDHHS properly factored Petitioner's medical expenses to be [REDACTED].

Petitioner's FAP benefit group size justifies a standard deduction of [REDACTED] (see RFT 255). The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. Petitioner's FAP group's adjusted gross income is found to be [REDACTED].

MDHHS budgeted Petitioner's rental obligation to be [REDACTED]. Petitioner testimony conceded the amount to be proper.

MDHHS factored Petitioner was responsible for only a telephone obligation. Petitioner testified he was also responsible for paying a water bill.

MDHHS testimony indicated a previously submitted lease indicated Petitioner's landlord was responsible for paying water. Petitioner testified he did not remember previously reporting a water bill obligation to MDHHS. It is found Petitioner did not report or verify an obligation for a water bill to MDHHS.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (April 2016), p. 11. Changes must be reported within 10 days of receiving the first payment reflecting the change.

If Petitioner did not report a water bill obligation, MDHHS has no reason to factor a water bill obligation. It is found MDHHS properly excluded a water bill obligation credit. It was not disputed Petitioner's only other utility responsibility was for a telephone. MDHHS issued the proper standard telephone credit of [REDACTED] (see RFT 255). Petitioner's total shelter expenses (housing + utilities) are found to be [REDACTED].

MDHHS only credits FAP benefit groups with an "excess shelter" expense. The excess shelter expense is calculated by subtracting half of Petitioner's adjusted gross income

from Petitioner's total shelter obligation. Petitioner's excess shelter amount is found to be [REDACTED] (rounding up to nearest dollar).

The FAP benefit group's net income is determined by taking the group's adjusted gross income and subtracting the allowable excess shelter expense. Petitioner's FAP benefit group's net income is found to be [REDACTED]. A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Petitioner's group size and net income Petitioner's proper FAP benefit issuance for [REDACTED] is found to be [REDACTED], the same amount calculated by MDHHS.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for [REDACTED] in FAP benefits for [REDACTED]. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



Christian Gardocki

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

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

DHHS

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Authorized Hearing Representative

[REDACTED]
[REDACTED]
[REDACTED]