



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

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Date Mailed: November 3, 2016  
MAHS Docket No.: 16-013281

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**ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie**

**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 October 27, 2016, from Lansing, Michigan. The Petitioner was represented by himself and his roommate, ██████████. The Department of Health and Human Services (Department) was represented by ██████████, Hearing Facilitator.

**ISSUE**

Did the Department properly determine that the Petitioner had a decrease in Food Assistance Program (FAP) benefits due to a decrease in the federal FAP annual standards and did the Department properly determine that the Petitioner had excess income for Medical Assistance (MA) resulting in a deductible?

**FINDINGS OF FACT**

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

1. The Petitioner was a recipient of FAP and MA benefits.
2. On August 11, 2016, the Department sent the Petitioner a notice that his FAP benefits had been reduced due to a decrease in federal FAP annual standards from ██████ to ██████ which resulted in a decrease in FAP benefits from ██████ to ██████ Department Exhibit 1, pgs. 14-17.

3. On August 11, 2016, the Department sent the Petitioner a notice that his MA was approved with a deductible of [REDACTED] with full coverage of the Medical Savings Program, which was the same amount as last year. Department Exhibit 1, pgs. 19-22.
4. On September 6, 2016, the Department received a hearing request from the Petitioner, contesting the Department's negative action.

### **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.

In this case, the Petitioner was a recipient of FAP and MA benefits. On August 11, 2016, the Department sent the Petitioner a notice that his FAP benefits had been reduced due to a decrease in federal FAP annual standards from [REDACTED] to [REDACTED] which resulted in a decrease in FAP benefits from [REDACTED] to [REDACTED]. Department Exhibit 1, pgs. 14-17. On August 11, 2016, the Department sent the Petitioner a notice that his MA was approved with a deductible of [REDACTED] with full coverage of the Medical Savings Program, which was the same amount as last year. Department Exhibit 1, pgs. 19-22. On September 6, 2016, the Department received a hearing request from the Petitioner, contesting the Department's negative action. BEM 166, 500, 503, 530, 541, 550, and 554.

During the hearing, the Petitioner contested the decrease in FAP benefits due to changes in federal FAP annual standards. The standard deduction was decreased from [REDACTED] to [REDACTED]. As a result, the Petitioner had a decrease in FAP benefits from [REDACTED] to [REDACTED]. Department Exhibit 1, 10-13. The Department has met its burden.

As a result of his excess income for MA AD-Care, the Petitioner was determined eligible for a MA Spenddown/Deductible case for a household group size of 1. He had a gross income from [REDACTED] of [REDACTED]. His net income of [REDACTED] was determined by subtracting [REDACTED] unearned income general exclusion, from his gross income of [REDACTED]. After deductions of a protected income of [REDACTED] the Petitioner had a deductible of [REDACTED] that he must meet before being eligible for MA. Department Exhibit 1, pg. 7.

The Department has met its burden. The Petitioner had excess income for MA AD-Care, which resulted in the Petitioner being eligible for MA with a deductible of [REDACTED] that he must meet before being eligible for MA because the Petitioner earned employment income that resulted in excess income.

### **DECISION AND ORDER**

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 acted in accordance with Department policy when it decreased the Petitioner's FAP benefits due to changes in the federal FAP annual standards from [REDACTED] to [REDACTED] and continued his MA deductible due to excess income of [REDACTED]

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



**Carmen G. Fahie**

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

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
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