



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 9, 2016
MAHS Docket No.: 16-016671

[REDACTED]
[REDACTED]

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

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 December 7, 2016, from Lansing, Michigan. The Petitioner was represented by her husband [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED] ES and [REDACTED] AP Supervisor. Department Exhibit 1, pp.1-12 was received and admitted.

ISSUE

Did the Department properly determine Petitioner's FAP benefits?

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 a recipient of MA and FAP benefits.
2. On August 30, 2016, Notice of Case Action and a Health Care Coverage Determination Notice were sent to Petitioner informing her that her FAP benefits would be reduced and her MA case would be closing.
3. On October 30, 2016, Petitioner requested hearing disputing the closure of MA benefits and reduction of FAP benefits.

4. Petitioner's MA case was reinstated and Petitioner was approved for MA-LIF going back to July 1, 2016. This was satisfactory to Petitioner.
5. The Department stated at hearing that after adjustments Petitioner was entitled to █████ in FAP benefits beginning in August 2016 and that they would issue a supplement.
6. Petitioner stated at hearing that he was satisfied with the adjustments and benefit amounts for the FAP program from August 2016 going forward.

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.

COUNTABLE SELF-EMPLOYMENT INCOME

The amount of self-employment income before any deductions is called total proceeds. Countable income from self-employment equals the total proceeds **minus** allowable expenses of producing the income. If allowable expenses exceed the total proceeds, the amount of the loss cannot offset any other income **except** for farm loss amounts. See Farming Expenses below.

Allowable expenses (except MAGI related MA) are the higher of 25 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses. BEM 502

In this case after adjustments regarding self-employment income under BEM 502, Petitioner's MA case was reinstated and Petitioner was approved for MA-LIF going back to July 1, 2016. This was satisfactory to Petitioner and he was agreeable to dismissing the appeal as it relates to MA. With regard to FAP benefits, the Department stated at hearing that after adjustments Petitioner was entitled to [REDACTED] in FAP benefits beginning in August 2016 and that they would issue a supplement. Petitioner stated at hearing that he was satisfied with the adjustments and benefit amounts for the FAP program from August 2016 going forward.

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 did not act in accordance with Department policy when it determined Petitioner's FAP benefits.

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

Petitioner's hearing request as it relates to MA benefits is **DISMISSED**.

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. Petitioner is awarded FAP benefits in the amount of [REDACTED] from August 2016 going forward.
2. The Department will issue a supplement to reflect the [REDACTED] monthly FAP benefit from August 2016 going forward.



Aaron McClintic

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]

[REDACTED]

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[REDACTED]
[REDACTED]

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[REDACTED]