



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: March 31, 2017
MAHS Docket No.: 17-002710
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 March 27, 2017, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], specialist, and [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 and the only member of her FAP benefit group.
2. On an unspecified date in January 2017, Petitioner became homeless.
3. On an unspecified date, MDHHS determined Petitioner to be eligible for [REDACTED] in FAP benefits, effective March 2017, in part, based on a removal of a credit for paying heat.
4. On [REDACTED], Petitioner requested a hearing to dispute FAP eligibility.

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 a reduction in FAP eligibility. It was not disputed that MDHHS reduced Petitioner's FAP eligibility beginning March 2017.

MDHHS presented FAP budget pages for March 2017 (Exhibit 1, pp. 7-9) which listed all FAP budget factors. During the hearing, each factor was discussed with Petitioner.

BEM 556 details the calculations for determining FAP eligibility. Those calculations will be used in the below analysis.

MDHHS factored Petitioner had monthly gross unearned income of \$[REDACTED]. Petitioner conceded the amount to be accurate.

[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 a 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 day care or child support expenses.

MDHHS factored Petitioner's medical expenses to be \$[REDACTED]. Following a mandatory [REDACTED] deductible, MDHHS credited Petitioner with \$[REDACTED] in countable expenses. Petitioner contended MDHHS should have factored a higher amount of medical expenses.

Petitioner testified she was responsible for payment of a \$[REDACTED] medical bill. Petitioner's testimony was questionable because she was a Medicaid recipient. Generally, Medicaid recipients are not billed \$[REDACTED] for medical services.

[MDHHS is to] verify allowable medical expenses including the amount of reimbursement, at initial application and redetermination. [MDHHS is to] verify reported

changes in the source or amount of medical expenses if the change would result in an increase in benefits.

Petitioner brought no documentation to the hearing supporting a \$ [REDACTED] medical expense obligation. Petitioner presented no evidence to support that MDHHS miscalculated her medical expense obligations. Given Petitioner's failure to provide verification of medical expenses, it is found that MDHHS properly credited Petitioner with \$ [REDACTED] in countable medical expenses. After factoring \$ [REDACTED] in countable medical expenses, Petitioner's running income is found 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 rent to be \$ [REDACTED]. Petitioner conceded the amount to be accurate.

MDHHS credited Petitioner with a standard telephone credit of \$ [REDACTED] (see RFT 255). Petitioner's other utility obligations were disputed. The analysis requires some background information.

Petitioner testified she shared a residence with an older woman until January 2017. Petitioner testified entry into her residence required having 2 keys. Petitioner testified she only had 1 key, though it was not typically troublesome for her until January 2017. Petitioner testified her roommate was hospitalized in January 2017 for an extended period; during this period, both locks to Petitioner's shared residence were engaged. Petitioner testified the engagement of the lock for which she did not have a key rendered her unable to gain entry into her residence, and therefore, she was homeless. Petitioner reported her homelessness to MDHHS and pursued emergency relocation assistance. Upon Petitioner's reporting, MDHHS removed all utility credits except a telephone credit. The MDHHS action appears proper.

[MDHHS is to] verify heating separate from housing costs at application or when a change is reported. *Id.*, p. 16. Acceptable verification sources [of a heating obligation] include, but are not limited to: current bills or a written statement from the provider for heating/cooling expenses, collateral contact with the landlord or the heating/cooling provider, cancelled checks, receipts or money order copies...DHS-3688-Shelter Verification[, or] current lease. *Id.*

If Petitioner was homeless, it is not known why or how Petitioner would have any utility obligation. Petitioner conceded none of the obligations were in her name. Petitioner testimony implied her roommate could theoretically hold Petitioner responsible for utility costs during the time she was unable to gain entry into the residence; given Petitioner's

testimony, such a scenario seems implausible. More importantly, Petitioner presented no verification of an ongoing utility obligation during the period of homelessness.

Petitioner testimony conceded she was still homeless, though on the verge of moving into a new residence. Thus, it can be presumed that Petitioner had no utility obligations, other than telephone, when MDHHS determined Petitioner's FAP eligibility for March 2017.

It is found MDHHS properly credited Petitioner only with a telephone obligation. Given Petitioner's rent of \$ [REDACTED] (which MDHHS counted during a period of homelessness because Petitioner claimed she paid her rent in advance), Petitioner's total shelter obligations 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].

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 March 2017 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 beginning March 2017. 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]

Petitioner

[REDACTED]