



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: May 1, 2017  
MAHS Docket No.: 17-004161  
Agency No.: ██████████  
Petitioner: ██████████

**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 ██████████ from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by ██████████, Hearing Facilitator.

**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 the only member of his FAP benefit group.
3. Petitioner had \$█████ in child support expenses.
4. Petitioner reported no more than \$█████ in countable monthly medical expenses.
5. On ██████████, MDHHS determined Petitioner to be eligible for \$█████ in FAP benefits, effective ██████████, in part, based on medical expenses of \$█████ and child support expenses of \$█████/month.

6. 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 FAP eligibility from [REDACTED]. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 22-25) dated [REDACTED]. The notice informed Petitioner of \$ [REDACTED] in FAP eligibility, beginning [REDACTED].

The presented notice included a Budget Summary (see Exhibit 1, p. 23). MDHHS also presented a FAP budget (Exhibit 1, pp. 20-21) for [REDACTED]. During the hearing, all relevant budget factors were discussed. BEM 556 outlines the factors and calculations required to determine FAP eligibility.

MDHHS factored Petitioner's unearned income to be \$ [REDACTED]/month. The amount was consistent with an SOLQ (Exhibit 1, pp. 11-13), which listed a "Monthly Amount Credited Amount" of \$ [REDACTED]. Petitioner's testimony conceded the budgeted amount was 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 exceeding \$ [REDACTED] child support, and day care expenses are subtracted from a client's monthly countable income. Petitioner conceded not having daycare expenses. Child support and medical expenses were disputed.

[For FAP benefits, MDHHS is to] verify child support expenses and arrearages paid to non-household members at application, redetermination and when a change is reported. BEM 554 (January 2017), p. 6. [For FAP benefits, MDHHS is to...] not allow more than the legal obligation if the client is up-to-date on their child support payments. *Id.* However, if they are behind and making arrearage payments, allow the total amount paid even if it exceeds the court-ordered amount. *Id.* [For FAP benefits,] current and arrearage child support expenses must be paid to be allowed. *Id.*

MDHHS presented Petitioner's child support payment history (Exhibit 1, pp. 14-17). Payments of \$█ and \$█ were listed for █. MDHHS added the payments to determine Petitioner's child support credit of \$█/month.

Petitioner testified he had a court order from █ which ordered a \$█/month obligation. The document was not admitted, though it is of little probative value. A court order verifies a child support obligation, not a child support payment. As noted above, MDHHS credits child support payments, not obligations.

Petitioner testified that each of his seven children receive benefits from Social Security Administration (SSA) directly because of his disability. Petitioner contended he should be credited with paying child support for each of the benefits his children receives. SSA is known to issue disability payments to children because of a parent's disability. There is no known MDHHS policy justifying a credit for child support payments based on disability income received by children. It is found that MDHHS properly credited Petitioner with \$█ in child support.

MDHHS testimony indicated Petitioner was credited with a \$█ Medicare expense; the testimony was consistent with the SOLQ (see Exhibit 1, p. 11) listing a \$█ expense. MDHHS testified a medical expense from █ for \$█ was factored, though inexplicably and improperly so. After applying the mandatory \$█ deductible, MDHHS factored a \$█ budget credit.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (April 2016), p. 11. Petitioner alleged he reported changes in medical expenses.

Petitioner testified he submitted additional medical expenses to MDHHS. Petitioner initially testified he submitted the expenses with a Redetermination (Exhibit 1, pp. 3-10) submitted to MDHHS on █. Petitioner then amended his testimony and stated that he dropped-off the expenses to MDHHS on approximately █. Petitioner testified that he signed a log after dropping off the documents. Petitioner also testified that he was certain that MDHHS received the documents because he received the documents from MDHHS following a Freedom of Information Act (FOIA) request. None of Petitioner's testimony was verified.

MDHHS testimony responded that the particular MDHHS office does not utilize sign-in logs, and did not as of █. The testimony was indicative that Petitioner's testimony concerning his medical expense submission was erroneous.

The electronic case file (ECF) consists of scanned documents, arranged by category and identified by a client name, recipient ID or case number, established for a particular client group. BAM 300 (October 2016), p. 1. The ECF contains all forms, documents and other evidence relevant to the group's current and past eligibility. *Id.*

During the hearing, MDHHS accessed Petitioner's ECF. MDHHS was asked to check all ECF dates near [REDACTED], in an attempt to verify Petitioner's testimony. Petitioner was advised to view his ECF. MDHHS found that Petitioner submitted documents on [REDACTED], but not medical expenses. This consideration supports a finding that Petitioner did not submit proof of medical expenses.

It was intriguing that Petitioner testified he received his alleged medical expense submission as part of a FOIA request. It is theoretically possible that MDHHS received Petitioner's medical expenses, did not enter the expenses into Petitioner's ECF, and yet returned them as part of a FOIA request. It is improbable that MDHHS would have sent Petitioner documents as part of a FOIA request unless the documents were part of Petitioner's ECF.

It is found that Petitioner failed to report or verify medical expenses to MDHHS beyond the expenses factored by MDHHS. It is further found that MDHHS properly calculated Petitioner's countable medical expenses to be \$[REDACTED]/month. After subtracting Petitioner's countable child support [REDACTED] and medical expenses (\$[REDACTED]) Petitioner's running income total 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 factored Petitioner's housing cost as \$[REDACTED]/month. Petitioner testified the factored housing cost was proper.

MDHHS credited Petitioner with a heating utility standard of \$[REDACTED]/month (see RFT 255). The utility standard incorporates all utilities and is the maximum credit available. 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].

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 \$█ in FAP benefits beginning █. The actions taken by MDHHS are **AFFIRMED**.

CG/jaf



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**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

**Petitioner**

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

**DHHS**

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