



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]
[REDACTED]

Date Mailed: April 21, 2017
MAHS Docket No.: 17-003456
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 April 12, 2017, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], 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 the only member of a FAP benefit group.
2. Petitioner received [REDACTED]/month in employment income.
3. On [REDACTED], MDHHS determined Petitioner to be eligible for [REDACTED] in FAP benefits, effective [REDACTED] in part, based on employment income of [REDACTED] and [REDACTED] in medical expenses.
4. As of [REDACTED], Petitioner reported to MDHHS no medical expenses beyond [REDACTED]/month.

5. 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 a determination of FAP eligibility. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 1-2) dated [REDACTED]. The notice informed Petitioner he was eligible to receive [REDACTED] in FAP benefits, effective [REDACTED].

Petitioner's primary argument was that the amount of FAP benefits issued by MDHHS did not "fill his needs". A client's general needs are not relevant unless allowed by MDHHS policy. BEM 556 outlines the procedures and factors for determining FAP eligibility.

MDHHS presented Petitioner's FAP budget from [REDACTED] (Exhibit 1, pp. 5-7). During the hearing, all relevant FAP benefit factors were discussed with Petitioner. Petitioner's statements concerning budget factors are incorporated in the below analysis.

MDHHS factored employment income of [REDACTED]. Petitioner testimony conceded the amount reflected his earnings from performing chore services. MDHHS gives a 20% credit for reported employment income. Petitioner's countable earned income is found to be [REDACTED].

Petitioner conceded he received monthly unearned income of [REDACTED]. Adding Petitioner's countable income results in a running income total of \$ [REDACTED].

[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 above [REDACTED]/month, 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. Medical expenses were disputed.

MDHHS factored [REDACTED]/month for Petitioner's medical expenses. A breakdown of the expenses was not provided.

Petitioner testified he recently began incurring additional medical expenses. Petitioner brought expenses to the hearing, though they were not admitted as exhibits. Petitioner's initial testimony was that he first reported an increase in medical expenses to MDHHS at the pre-hearing conference (i.e. after he requested a hearing). Petitioner also testified he did not report the expenses before the hearing because he did not begin to incur the expenses until after requesting a hearing.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (April 2016), p. 11. Petitioner cannot claim MDHHS erred by failing to factor medical expenses that he had not reported before he requested a hearing.

It is found that MDHHS properly factored Petitioner's medical expenses to be [REDACTED]. After applying the standard [REDACTED] copayment, Petitioner's countable medical expenses are [REDACTED]. Subtracting the countable expenses from the countable income results in a running income total of [REDACTED].

Petitioner contended MDHHS should factor his transportation costs. Generally, transportation costs are not relevant to a FAP budget, though transportation for medical expenses might be factored (see BEM 554). Petitioner is advised to report and verify any transportation costs related to medical appointments.

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 housing obligation to be [REDACTED]/month. Petitioner conceded the amount to be accurate.

MDHHS credited Petitioner with the maximum heat/utility standard of [REDACTED] (see RFT 255). Petitioner's total shelter expenses 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 [REDACTED] in FAP benefits beginning [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]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]