



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: December 8, 2017
MAHS Docket No.: 17-014618
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Ellen McLemore

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; 42 CFR 438.400 to 438.424; 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 6, 2017, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Amber Gibson, Hearing Facilitator.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount?

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. On September 25, 2017, the Department sent Petitioner a Notice of Case Action informing her that her FAP benefit amount was being decreased to \$88 per month effective November 1, 2017, ongoing.
3. Petitioner was the only member of her FAP group.
4. Petitioner had monthly income in the form of Retirement, Survivors, and Disability Insurance (RSDI) in the amount of \$857 per month.

5. Petitioner had a monthly housing expense of \$166 and was responsible for various utilities.
6. Petitioner was a senior/disabled/veteran (SDV) group member.
7. On October 31, 2017, Petitioner submitted a request for hearing disputing the Department's actions.

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.

In this case, the Department sent Petitioner a Notice of Case Action on September 25, 2017, informing her that her FAP benefit amount was decreasing to \$88 per month. The Department testified Petitioner's FAP benefit amount changed solely due to a policy update. Petitioner's FAP benefit amount was reduced from \$123 per month to \$88. Given the drastic decrease in benefits, the Department's calculation of Petitioner's FAP benefits will be reviewed.

The Department presented a budget that was used in the calculation of Petitioner's FAP benefit amount (Exhibit C). All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits. Group composition policies specify whose income is countable. BEM 500 (January 2016), pp. 1-5. According to the budget provided, the Department concluded that Petitioner's unearned income was \$858. Petitioner's unearned income comprised of Petitioner's RSDI benefits. However, according to the State Online Query (SOLQ), Petitioner's RSDI benefits are \$857 per month (Exhibit D).

The deductions to income on the net income budget were also reviewed. There was evidence presented that the Petitioner's group includes a senior/disabled/veteran (SDV). BEM 550. Thus, the group is eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.

- Court ordered child support and arrearages paid to non-household members.
- Standard deduction based on group size.
- Medical deduction.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (August 2017), p. 1; BEM 556 (July 2013), p. 3.

There was no evidence presented that Petitioner had any out-of-pocket dependent care or child support expenses. Therefore, the budget properly excluded any deduction for dependent care or child support.

As Petitioner qualifies as an SDV member, the group is entitled to deductions for verifiable medical expenses that the SDV member incurs in excess of \$35. BEM 554, p. 1. Petitioner testified she submitted verification of ongoing medical expenses. The Department testified Petitioner submitted three medical documents. On October 31, 2017, Petitioner submitted two explanation of benefit documents that were not actual medical bills. As they were not actual medical bills, the Department properly did not apply them as medical expense deductions. Petitioner submitted verification of prescription copays on March 28, 2017, in the amount of \$19.56. As the copays were not in excess of \$35, the Department properly did not include the prescription copays as a medical expense deduction. Petitioner testified she submitted additional verification of ongoing medical expenses. However, upon review of Petitioner's electronic case file (ECF), it does not appear Petitioner submitted any recent verification of medical expenses. The 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 to the group's current and past eligibility. BAM 300, p. 1. Therefore, the Department properly did not include any medical expense deductions when determining Petitioner's FAP benefit amount.

Petitioner's FAP benefit group size of one justifies a standard deduction of \$160. RFT 255 (October 2017), p. 1. 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 adjusted gross income is \$697.

In calculating the excess shelter deduction of \$354, the Department stated that it considered Petitioner's verified housing expense of \$166 and that she was responsible for a monthly heating expense, entitling her to the heat/utility standard of \$537. BEM 554, pp. 14-15. The Department testified when calculating Petitioner's excess shelter amount they added the total shelter amount and subtracted 50% of the adjusted gross income. Petitioner's excess shelter deduction was properly calculated at \$354 per month.

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

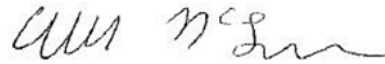
net income was found to be \$344 by the Department. However, Petitioner's actual net income was \$343. A chart listed in RFT 260 (October 2017), p. 12, is used to determine the proper FAP benefit issuance based on the net income and group size. Based on the Department's calculation of Petitioner's net income and group size, the Petitioner's FAP benefit issuance for November 1, 2017, ongoing, was found to be \$88 monthly. Using the correct net income, Petitioner's FAP benefit amount would still be \$88 per month. Therefore, the Undersigned finds harmless error in the miscalculation of Petitioner's unearned income. Therefore, the Department acted in accordance with policy when it calculated Petitioner's FAP budget for November 1, 2017, ongoing.

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 determined Petitioner's FAP benefit amount.

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

EM/



Ellen McLemore

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

MDHHS-Ingham-Hearings

Petitioner



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