



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

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Date Mailed: January 16, 2018  
MAHS Docket No.: 17-014774  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Denise McNulty**

**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 12, 2017, from Detroit, Michigan. The Petitioner represented himself with the assistance of an interpreter, ██████████. Petitioner was accompanied by his spouse, ██████████. The Department of Health and Human Services (Department) was represented by ██████████ ██████████, Assistance Payments Worker and ██████████, Eligibility Specialist.

**ISSUE**

1. Did the Department properly deny Petitioner's application for Food Assistance Program (FAP) benefits?
2. Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) 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 submitted an application for FAP and MA benefits on October 1, 2017.
2. Petitioner's household consisted of three persons: himself, his wife and one daughter. Petitioner sought FAP and MA benefits for only himself and his wife. [Exhibit A, pp. 6-8.]

3. On October 2, 2017, the Department sent Petitioner a Verification Checklist (VCL) requesting proofs regarding the mortgage/shelter expenses, banking, and earnings for all three individuals in the household. All proofs were due by October 12, 2017.
4. Petitioner returned all the requested proofs, with the exception of wage and banking information for his adult daughter. [Exhibit A, pp. 27-47.]
5. On October 30, 2017, the Department sent Petitioner a Notice of Case Action (NCA) advising him that the application for FAP benefits was denied for failure to provide verifications regarding his daughter's wages and bank account. [Exhibit A, pp. 48-49.]
6. On October 30, 2017, the Department sent Petitioner a Health Care Coverage Determination Notice notifying him that his wife was approved for full coverage; and he was ineligible due to excess assets.
7. On November 6, 2017, the Department received Petitioner's 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.

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.

In this case, Petitioner requested a hearing to dispute the Department's denial of his application for FAP benefits for his household and the denial of MA benefits for himself. [Exhibit A, pp. 48-52.]

**FAP**

The Department alleged Petitioner failed to return proofs regarding his adult daughter's earnings and bank account that were requested in the VCL sent to him on October 2, 2017. [Exhibit A, pp. 25-26.] The proofs were due by October 12, 2017. The Department sought to verify the household income and assets by requesting verification of Petitioner's daughter's earnings and bank account. In the application for benefits, Petitioner indicated that his daughter was employed and had a checking account. [Exhibit A, pp. 13, 17.] Petitioner did provide the requested income and banking information for himself and his wife. [Exhibit A, pp. 27-47.] Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (April 2017), p. 1.

The client is required to obtain and provide the verification requested by the Department for determination of their eligibility for benefits. BAM 130 (April 1, 2017), p. 3. Clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105 (October 2016), p. 9. The Department sent Petitioner a request for verifications on October 2, 2017, and allowed Petitioner at least 10 days to provide the requested documentation in accordance with policy. BAM 130 (April 2017), p. 7.

The Department was unable to complete a determination of eligibility for FAP benefits absent the requested verifications in this case, specifically, the documentation regarding Petitioner's daughter's earnings and bank account(s). As such, the Department acted in accordance with policy when it denied Petitioner's application for food assistance.

**MA**

MA is available (i) under Supplemental Security Income (SSI)-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. BEM 105 (October 2016), p. 1; BEM 137 (October 2016), p. 1. HMP is a Modified Adjusted Gross Income (MAGI)-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the MAGI methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1.

Because Petitioner was over the age of ■ and there was no evidence that he was the parent or caretaker of a minor child, he was only eligible for MA under an SSI-related category. In determining the SSI-related MA category Petitioner is eligible for, the Department must determine Petitioner's MA fiscal group size and assets. Because Petitioner is married, his fiscal group size for SSI-related MA purposes is two. Assets must be considered for the asset group when determining eligibility. BEM 211 (January 2016), pp. 1, 8. Petitioner's asset group included both he and his spouse. Countable assets **cannot** exceed the applicable asset limit. BEM 400 (January 2018), p. 2. Cash is

a countable asset which includes checking and savings accounts. BEM 400, p.1. Asset eligibility is required for SSI-related MA categories. BEM 400, p. 6.

Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. BEM 400, p. 7. However, per BEM 400, at **application**, the Department is instructed not to authorize MA for future months if the person has excess assets on the processing date. BEM 400, p. 7. In this case, Petitioner's asset group had assets in excess of the asset limit of \$ [REDACTED] BEM 400, p. 8. [See Exhibit A, pp. 30-43.] Because Petitioner's assets exceeded the asset limit, he was not eligible MA benefits under the AD-Care program.

### **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 denied Petitioner's application for FAP benefits for his household. The Department acted in accordance with Department policy when it denied Petitioner's application for MA benefits for himself.

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



DM/jaf

**Denise McNulty**

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]

**Petitioner**

[REDACTED]

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