



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: January 31, 2018  
MAHS Docket No.: 17-016381  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler**

**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 January 29, 2018, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly calculate Petitioner's Food Assistance Program (FAP) benefits effective January 1, 2018?

**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 had been a recipient of FAP benefits prior to November 2017.
2. On November 3, 2017, Petitioner submitted a FAP and Medical Assistance (MA) application to the Department.
3. On November 20, 2017, the Department calculated Petitioner's FAP benefit rate to be \$ [REDACTED] based upon the application submitted on November 3, 2017.
4. On December 4, 2017, the Petitioner submitted a hearing request disputing the calculation of her benefits.

5. On the same day, the Department reviewed its calculation of Petitioner's FAP benefits and found that a mistake had been made in including a premium as a medical expense; therefore, a new Notice of Case Action was mailed to Petitioner notifying her of the reduction of her FAP benefits to \$ [REDACTED] effective January 1, 2018.
6. On December 18, 2017, Petitioner submitted a second hearing request disputing the further reduction of her benefits.
7. On January 2, 2018, a hearing was held in response to Petitioner's first hearing request submitted on December 4, 2017 in Michigan Administrative Hearing System (MAHS) docket number 17-015610.
8. On January 12, 2018, a decision was issued in MAHS docket number 17-015610 by Administrative Law Judge Scully affirming the Department's calculation of benefits from November 20, 2017.

### **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 reduced Petitioner's FAP benefits to \$ [REDACTED] because an error was made in the previous budget calculation by including a Medicare premium as a medical expense. The State Online Query System (SOLQ) shows that as of December 1, 2010, the State of Michigan began paying Petitioner's Medicare Part B premium. (Exhibit A, p. 43) It also shows that as of December 1, 2017, Petitioner received \$ [REDACTED] in Retirement, Survivors, and Disability Insurance (RSDI) benefits.

All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits and group composition policies specify whose income is countable. BEM 500 (January 2016), pp. 1-5. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 (July 2017), p. 1. In prospecting income, the Department is required to use income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not

reflect the normal, expected pay amounts. BEM 505, p. 5-7. A standard monthly amount must be determined for each income source used in the budget. BEM 505, pp. 8-9.

In looking at the budget provided by the Department for the hearing, the Department properly included the Petitioner's \$[REDACTED] RSDI income as countable unearned income.

After total income is calculated, deductions are made for allowable expenses. Petitioner is a Senior, Disabled, or Veteran (SDV) member of her group. 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 (January 2017), p. 1; BEM 556 (July 2013), p. 3.

The Department properly reduced Petitioner's income by \$160.00, the standard deduction for a group size of one. RFT 255 (October 2017), p. 1. Petitioner does not have earned income and is not eligible for the earned income deduction. Likewise, she does not have a dependent care or child support expense; therefore, no deduction was made for either item. Medical expenses are only considered for SDV persons in a FAP group. BEM 554, p. 8. Verified medical expenses in excess of \$[REDACTED] can include but are not limited to prescription drugs, costs of medical supplies, healthcare or Medicare premiums. BEM 554, pp. 1, 10-11. As discussed above, the Petitioner does not pay her Medicare Part B premium because it is paid by the State of Michigan. She has not provided the Department with proof of any other medical expense. Therefore, Petitioner is not entitled to a medical expense deduction. Finally, the Department properly calculated Petitioner's excess shelter deduction after consideration of her rent and the heat and utility standard. BEM 554, pp. 14-15. After a full review of the FAP budget calculation, the Department properly calculated Petitioner's Net income to be \$[REDACTED] and her FAP benefit rate of \$[REDACTED] RFT 260 (October 2017), p. 6.

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 reduced Petitioner's FAP benefit rate to \$[REDACTED] as of January 1, 2018.

**DECISION AND ORDER**

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



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**Amanda M. T. Marler**  
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]  
[REDACTED]  
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