



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: February 6, 2018
MAHS Docket No.: 17-016310
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 February 5, 2018, from Detroit, Michigan. The Petitioner was self-represented and appeared with her husband, [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist.

ISSUE

1. Did the Department properly close Petitioner's State Disability Assistance (SDA) and Medical Assistance (MA) program benefits based upon excess income?
2. Did the Department properly close the Petitioner's Food Assistance Program (FAP) benefits based upon excess assets?

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 and her husband were married on April 24, 2017.
2. On December 7, 2017, Petitioner submitted a State Emergency Relief (SER) application which included each household member's income and asset information.

3. The same day, the Department issued a Notice of Case Action closing the Petitioner's SDA case for excess income and FAP case for excess assets effective January 1, 2018.
4. In addition, the Department issued a Health Care Coverage Decision Notice (HCCDN) closing Petitioner's MA case effective January 1, 2018 based upon excess income.
5. On December 14, 2017, Petitioner submitted a hearing request disputing the Department's decisions.
6. On December 19, 2017, the Department issued a second Notice of Case Action confirming Petitioner's December 2017 SDA benefit of \$ [REDACTED] and FAP benefit of \$ [REDACTED].

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).

First, this case was improperly coded as involving an issue related to the Family Independence Program (FIP). All parties agree that there is no FIP case in dispute and this issue is dismissed. The other issues to be address in this case include the FAP, SDA, and MA programs.

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 State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

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, the Department received an SER application from Petitioner which it used in its decision to close Petitioner's SDA, MA, and FAP cases.

While the Department provided the marriage license and wages of Petitioner's husband, the Department did not provide any budgets for the SDA or MA programs to show the total household income after consideration of expenses. Budgets should be completed when the Department is made aware of or the client reports a change in income that will affect eligibility or benefit level. BEM 505 (October 2017), p. 10. For SDA, the certified group must be in financial need to receive benefits and need is determined when budgetable income is less than the payment standard established by the Department. BEM 515 (October 2015), p. 1. For MA, eligibility is based on the Modified Adjusted Gross Income (MAGI) methodology. Page 2 of the HCCDN indicates that Petitioner's countable income exceeds the income limit for her group size but also lists Petitioner's annual income as \$0.00. Based on \$0.00 in income, it would appear Petitioner would be eligible for benefits. But again no budget was presented to show excess income. Without some evidence of consideration of total income, expenses, and/or need, the Department has not met its burden of proof in establishing that the SDA and MA case closures were in accordance with policy.

Turning to the issue of the FAP closure based upon excess assets, a FAP group has an asset limit of \$5,000.00. BEM 400 (July 2017), p. 5. Petitioner's SER application lists an unknown value for their checking and savings accounts, retirement accounts, and fair market value of vehicle. However, the Petitioner listed a home owned by her husband with an estimated fair market value of \$██████████ that they do not live in. No verification of its actual value was completed, but verification is not required when countable assets exceed the limit based upon a person's own statement of value. BEM 400, p. 58. In this case, Petitioner's statement of value for the house is significantly greater than the \$5,000.00 limit; therefore, no verification is needed. It should be noted that a homestead may be excluded in consideration of the asset group. BEM 400, p. 34. A homestead is where a person lives that they own, are buying, or holds through a life estate or life lease. BEM 400, p. 33. Since Petitioner and her husband do not live in the house that he owns, the house is not a homestead and cannot be excluded from the FAP asset group. Therefore, Petitioner's group, which includes her husband, has assets in excess of the FAP asset limit; and Petitioner is ineligible for FAP benefits.

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 closed Petitioner's FAP case, but failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner's SDA and MA cases.

DECISION AND ORDER

The portion of the case attributable to the FIP case is dismissed as there was no issue related to FIP.

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the closure of the FAP case and **REVERSED IN PART** with respect to the closure of the SDA and MA cases.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reopen and reprocess Petitioner's SDA case from January 1, 2018 ongoing;
2. If Petitioner is eligible for SDA benefits, issue any supplements for benefits not previously issued in accordance with policy;
3. Reopen and reprocess Petitioner's MA case from January 1, 2018 ongoing;
4. If Petitioner is eligible for MA benefits, provide Petitioner with MA coverage that she was eligible to receive but did not in accordance with policy; and
5. Notify Petitioner in writing of its decision.



AM/

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

