



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: October 26, 2018  
MAHS Docket No.: 18-009838  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Jeffrey Kemm

**HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; 7 CFR 273.15; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on October 25, 2018, from Lansing, Michigan. Petitioner, [REDACTED] [REDACTED] appeared and represented herself. Hearing Facilitator, Valarie Foley, appeared and represented the Department. Neither party had any additional witnesses.

One exhibit was admitted into evidence during the hearing. An 18-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

**ISSUES**

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

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA)?

**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 applied for assistance from the Department, including FAP and MA.
2. Petitioner's household is composed of eight individuals. Petitioner's spouse is the sole source of the household's income. Petitioner's spouse works full-time at [REDACTED] and earns \$ [REDACTED] per hour.

3. On September 8, 2018, the Department issued a Notice of Case Action which notified Petitioner that her group was eligible for a food assistance benefit of \$501 per month starting October 1, 2018. The Notice included a budget that showed how the Department calculated Petitioner's household income. The budget used \$[REDACTED] earned income, \$[REDACTED] unearned income, \$228 standard deduction, \$1,500 housing costs, and \$543 heat/utility standard to calculate a net monthly income of \$[REDACTED]
4. The Department found Petitioner ineligible for health care coverage through the Healthy Michigan plan because the Department found Petitioner's household income exceeded the limit for such coverage. For purposes of determining Petitioner's eligibility for health care coverage through the Healthy Michigan plan, the Department determined that Petitioner's household had a monthly income of \$[REDACTED]
5. On September 17, 2018, Petitioner filed a hearing request to dispute the Department's decisions.
6. On September 24, 2018, the Department issued a Notice of Case Action which notified Petitioner that her group was eligible for a food assistance benefit of \$801 per month starting October 1, 2018. The Notice included a budget that showed how the Department calculated Petitioner's household income. The budget used \$2,451 earned income, \$228 standard deduction, \$1,500 housing costs, and \$543 heat/utility standard to calculate a net monthly income 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).

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.

Petitioner filed her hearing request to dispute the Department's decisions on two different benefits, food assistance benefits and health care coverage. The Department evaluated Petitioner eligibility for both of these benefits based on income, and Petitioner asserted that the Department incorrectly determined her income.

The Department correctly determined Petitioner's food assistance benefit amount. After Petitioner filed her hearing request, the Department re-evaluated her household's food assistance benefit amount. The Department removed \$1,000 in unearned income from its budget when it re-evaluated Petitioner's food assistance benefit amount. This resulted in an increase in Petitioner's food assistance benefit amount. Petitioner did not present any evidence to establish that the Department used the incorrect income, housing costs, or group size (the number of people in her household) when it re-evaluated her food assistance benefit amount. Based on a review of the budget used by the Department and the applicable Food Issuance Table, the Department used the correct standard deductions and correctly determined Petitioner's food assistance benefit amount based on her countable household income and group size. Therefore, I must find that the Department correctly determined Petitioner's food assistance benefit amount when it re-evaluated it. Since the Department correctly determined Petitioner's food assistance benefit amount, the Department acted in accordance with its policies and the applicable law.

The Department did not correctly determine Petitioner's eligibility for health care coverage. The Department did not present any evidence to show how it determined Petitioner's household income to determine her eligibility for health care coverage through the Healthy Michigan plan. Petitioner testified credibly that the Department overstated her household income, and the Department did not present any evidence to the contrary. Therefore, I must find that the Department overstated Petitioner's household income. Since the Department overstated Petitioner's household income when it determined her eligibility for health care coverage through the Healthy Michigan plan, the Department did not act in accordance with its policies and the applicable law. The Department must reevaluate Petitioner's eligibility for health care coverage.

For these reasons, the Department's September 24, 2018, decision on Petitioner's FAP is affirmed, and the Department's decision on Petitioner's MA is reversed.

### **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 (1) the Department did act in accordance with its policies and the applicable law when it issued its September 24, 2018, Notice of Case Action on Petitioner's FAP, and (2) the Department did not act in accordance with its policies and the applicable law when it determined Petitioner's eligibility for health care coverage through the Healthy Michigan plan.

IT IS ORDERED the Department's September 24, 2018, decision on Petitioner's FAP benefit amount is AFFIRMED.

IT IS FURTHER ORDERED that the Department's decision on Petitioner's MA is REVERSED, and the Department shall initiate a review of Petitioner's eligibility for MA through the Healthy Michigan plan.

JK/nr



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Jeffrey Kemm  
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) 763-0155; 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**

Susan Noel  
26355 Michigan Ave.  
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Wayne 19 County DHHS- via electronic  
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D. Smith- via electronic mail

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**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED], MI  
[REDACTED]