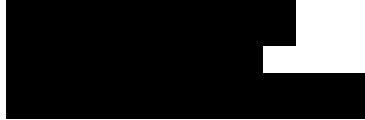




RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR



Date Mailed: November 7, 2017  
MAHS Docket No.: 17-012755  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

**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 October 31, 2017 from Detroit, Michigan. The Petitioner appeared for the hearing with her husband [REDACTED] and represented herself. The Department of Health and Human Services (Department) was represented by Pamela Wells, Assistance Payments Supervisor.

**ISSUE**

Did the Department properly calculate the amount of Petitioner's Food Assistance Program (FAP) 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 is an ongoing recipient of FAP benefits. In connection with a redetermination, Petitioner's eligibility to receive FAP benefits was reviewed.
2. Prior to the redetermination, the Department had been including an ongoing medical expense of \$1,490 towards the medical deduction on Petitioner's FAP budget and Petitioner was approved for FAP benefits in the amount of \$191. (Exhibit A, p. 4)
3. After processing the redetermination, the Department determined that Petitioner was not eligible for the medical deduction of \$1,490.

4. On September 20, 2017 the Department sent Petitioner a Notice of Case Action advising her that effective October 1, 2017 she was approved for FAP benefits in the amount of \$15 monthly. (Exhibit A, pp. 2-3)
5. On September 25, 2017 Petitioner verbally requested a hearing disputing the decrease in her FAP allotment.

### **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 testified that after processing the redetermination, it discovered that it had been improperly including an ongoing monthly medical deduction of \$1,490 on Petitioner's FAP budget. The Department stated that because Petitioner did not have verified medical expenses in that amount at the time of the redetermination, it removed the \$1,490 medical deduction and determined that she was eligible for \$15 in monthly FAP benefits. The Department presented a FAP EDG Net Income Results Budget which was reviewed to determine if the Department properly calculated the amount of Petitioner's FAP benefits. (Exhibit A, pp. 6-7).

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 considers the gross amount of money earned from a pension and from Retirement Survivors Disability Insurance (RSDI) or Social Security in the calculation of unearned income for purposes of FAP budgeting. BEM 503 (July 2017), pp. 31-32. The Department concluded that Petitioner's group had gross unearned income in the amount of \$2,522. The Department stated that it considered RSDI in the amount of \$1,449 for Petitioner's husband, \$939 in RSDI for Petitioner and \$134.55 in retirement pension for Petitioner's husband. Petitioner confirmed that the income amounts relied upon by the Department were accurate. Thus, the unearned income was properly calculated.

The deductions to income on the net income budget were also reviewed. Petitioner's FAP group includes a senior/disabled/veteran (SDV) member. BEM 550 (January 2017), pp. 1-2. Groups with one or more SDV members are eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Medical expenses for the SDV member(s) that exceed \$35.
- Standard deduction based on group size.
- An earned income deduction equal to 20% of any earned income.

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

In this case, Petitioner's group did not have any earned income, thus, there was no applicable earned income deduction. There was no evidence presented that Petitioner had any out-of-pocket dependent care or child support expenses. Therefore, the budget properly did not include any deduction for dependent care or child support. The Department properly applied a standard deduction of \$160 which was based on Petitioner's confirmed group size of two. RFT 255 (October 2017), p. 1. The budget shows a medical deduction of \$308. The Department testified that it considered Medicare Part B premiums for Petitioner in the amount \$108 and for Petitioner's husband in the amount of \$109 and additional insurance premiums of \$63 monthly for both Petitioner and her husband (Exhibit A, pp. 8-11). The ongoing medical expenses total \$343, less \$35 results in a medical deduction of \$308. At the hearing, Petitioner submitted additional medical expenses for consideration. Petitioner was informed that because the expenses were not submitted to the Department prior to the hearing date, they would be processed and applied to her FAP budget in the future for the applicable months.

With respect to the excess shelter deduction, the Department properly applied the \$537 heat and utility standard and properly considered Petitioner's confirmed housing expenses of \$323.35 which consisted of her monthly mortgage and home insurance.

Upon further review, the Department properly determined Petitioner's net income and took into consideration the appropriate deductions to income. Based on net income of \$1,354, Petitioner's two person FAP group is eligible for \$15 in monthly FAP benefits. RFT 260 (October 2017), p. 18.

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 calculated Petitioner's FAP benefits.

**DECISION AND ORDER**

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



ZB/tlf

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**Zainab A. Baydoun**  
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

**Via Email:**

MDHHS-Mason-Hearings  
BSC3 Hearing Decisions  
D. Sweeney  
M. Holden  
MAHS

**Petitioner – Via First-Class Mail:**

