



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR



Date Mailed: December 21, 2017
MAHS Docket No.: 17-014551
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, telephone hearing was held on December 11, 2017, from Lansing, Michigan. The Petitioner was represented by his mother [REDACTED]. The Department was represented by Aisha Caldwell, Eligibility Specialist and Darrin McMurtry, Assistance Payments Supervisor.

ISSUE

Did the Department of Health and Human Services (Department) properly determined Petitioner's eligibility for Medical Assistance (MA) and 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 Medical Assistance (MA) and Food Assistance Program (FAP) recipient.
2. The Petitioner receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$1,056. Exhibit A, p 2.
3. Petitioner is obligated to pay rent in the monthly amount of \$900. Exhibit A, p 4.
4. On October 26, 2017, the Department notified Petitioner that he was approved for Medical Assistance (MA) benefits with a \$494 monthly deductible. Exhibit A, pp 9-11.

5. On October 26, 2017, the Department notified Petitioner that he was approved for a \$83 monthly allotment of Food Assistance Program (FAP) benefits. Exhibit A, pp 12-13.
6. On November 1, 2017, the Department received Petitioner's request for a hearing protesting the level of Medical Assistance (MA) and Food Assistance Program (FAP) benefits he was granted. Exhibit A, pp 14-15.

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.

All earned and unearned income available is countable unless excluded by policy. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2017).

Petitioner is an ongoing FAP recipient as a group of one. Petitioner received RSDI benefits in the gross monthly amount of \$1,056. Petitioner's adjusted gross income of \$1,056 was determined by reducing his total income by the \$160 standard deduction.

Petitioner is eligible for a deduction based on his shelter expenses, which is determined by adding his \$900 monthly rent to the \$537 standard heat and utility deduction, then subtracting 50% of his adjusted gross income. FAP recipients are normally limited to a maximum shelter deduction of \$535, but disabled FAP recipients, such as Petitioner, are entitled to a monthly shelter deduction exceeding the maximum deduction. Department of Health and Human Services Bridges Eligibility Manual (BEM) 556 (July 1, 2013), p 5.

In this case, the Department failed to permit Petitioner to take the maximum excess shelter deduction based on his income and expenses. Therefore, the Department was not acting in accordance with policy when it determined his eligibility for FAP benefits.

A review of Petitioner's case reveals that the Department budgeted correct amount of income received by the Petitioner, which consists of RSDI benefits in the gross monthly amount of \$1,056. The income limit to receive "full" Medicaid is \$1,025 and his expenses do not apply to this income limit. Department of Health and Human Services Reference Table Manual (RFT) 242 (April 1, 2017), p 1. Petitioner's "protected income level" is \$408, and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department of Human Services Reference Table Manual (RFT) 240 (December 1, 2013), p 1. Department's determination that the Petitioner has a \$494 deductible per month he must meet in order to qualify for MA for any medical expenses above is therefore correct.

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 determined that Petitioner is eligible for Medical Assistance (MA) with a \$494 monthly deductible.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED** with respect to **Medical Assistance (MA)**.

The Department's decision is **REVERSED** with respect to the **Food Assistance Program (FAP)**.

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:

Initiate a determination of Petitioner's eligibility for Food Assistance Program (FAP) benefits as of October 1, 2017, in accordance with policy and issue Petitioner any retroactive benefits he may be eligible to receive, if any.

KS/nr



Kevin Scully
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

Lori Duda
30755 Montpelier Drive
Madison Heights, MI 48071

Oakland 2 County DHHS- via electronic mail

BSC4- via electronic mail

M. Holden- via electronic mail

D. Sweeney- via electronic mail

M. Best- via electronic mail

EQAD- via electronic mail

Authorized Hearing Rep.

[REDACTED]

Petitioner

[REDACTED]