



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: February 1, 2018  
MAHS Docket No.: 17-016275  
Agency No.: [REDACTED]  
[REDACTED] Lisa Jones

**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 January 24, 2018, from Lansing, Michigan. Petitioner represented herself. The Department was represented by Mattie Evans.

**ISSUE**

Did the Department of Health and Human Services (Department) properly determine Petitioner's eligibility for 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. On November 13, 2017, Petitioner was an ongoing Food Assistance Program (FAP) recipient when the Department received her completed Redetermination (DHS-1010) form. Exhibit A, pp 7-13.
2. The Petitioner receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$1,413. Exhibit A, pp 23-25.
3. Petitioner paid \$1,290 for housing but was not responsible for separate heat and utility expenses. Exhibit A, pp 14-22.
4. Petitioner is responsible for telephone expenses. Exhibit A, pp 7-13.
5. On October 23, 2017, the Department notified Petitioner that she was not eligible for the Medicare Savings Program (MSP) as of September 1, 2017. Exhibit A, pp 35-38.

6. On November 29, 2017, the Department notified Petitioner that she was eligible for a \$24 monthly allotment of Food Assistance Program (FAP) benefits effective December 1, 2017. Exhibit A, pp 39-42.
7. On December 8, 2017, the Department received Petitioner's request for a hearing protesting the amount of her monthly allotment of Food Assistance Program (FAP) benefits. Exhibit A, pp 3-4.

### **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 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 actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2017).

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. Department of Human Services Bridges Eligibility Manual (BEM) 505 (October 1, 2017), pp 7-8.

Petitioner was an ongoing FAP recipient as a group of one when the Department initiated a review of her eligibility to receive ongoing benefits based on the information she reported on a Redetermination (DHS-1010) form received by the Department on November 13, 2017. Petitioner received RSDI in the gross monthly amount of \$1,413. Petitioner's adjusted gross income of \$1,253 was determined by reducing her monthly income by the \$160 standard deduction.

Petitioner paid \$1,290 for housing. Petitioner is not responsible for heat and utility expenses. Petitioner is responsible for telephone expenses and the Department gave her the standard \$32 telephone expense deduction. Department of Health and Human Services Reference Table Manual (RFT) 255 (October 1, 2017), p 1. Petitioner is entitled to a \$696 excess shelter deduction that was determined by reducing the sum of her housing expenses and the \$23 standard telephone deduction by 50% of her adjusted gross income. Petitioner would have only been eligible for a \$535 shelter deduction except that she is disabled.

Petitioner's net income of \$557 was determined by reducing her adjusted gross income by her excess shelter deduction. A group of one with a net income of \$557 is entitled to a \$24 monthly allotment of FAP benefits. Department of Health and Human Services Reference Table Manual (RFT) 260 (October 1, 2017), p 8.

There are three categories of Medicare Savings Program (MSP) benefits including the Qualified Medicare Beneficiary (QMB), the Special Low-Income Medicare Beneficiary (SLMB), and the Additional Low-Income Medicare Beneficiary (ALMB). QMB pays Medicare premiums, and Medicare coinsurances, and Medicare deductibles. QMB coverage begins the calendar month after the processing month. SLMB pays Medicare Part B premiums. SLMB coverage is available for retro MA months and later months. ALMB pays Medicare Part B premiums provided funding is available. The Department of Community Health notifies the Department of Human Services if funding is available. ALMB coverage is available for retro MA months and later months. Department of Human Services Bridges Eligibility Manual (BEM) 165 (January 1, 2015), pp 2-3.

Petitioner receives RSDI in the gross monthly amount of \$1,413, which exceeds 135% of the federal poverty level making her ineligible for Medicare Savings Program (MSP) benefits under any category. BEM 165, p 1.

Based on the evidence and testimony available during the hearing, the Department established that Petitioner's countable income and expenses were determined in accordance with its policies.

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 Petitioner's eligibility for Food Assistance Program (FAP) and the Medicare Savings Program (MSP).

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.

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**

Linda Gooden  
25620 W. 8 Mile Rd  
Southfield, MI  
48033

Oakland 3 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

**Petitioner**

A large black rectangular redaction box covering the name and contact information of the petitioner.