



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
MI [REDACTED]

Date Mailed: July 10, 2018  
MAHS Docket No.: 18-005478  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Landis Lain

### **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 July 3, 2018, from Lansing, Michigan. Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by Juanita Munoz, Hearings Facilitator.

Respondent's Exhibit A (pages 1 – 32) were admitted as evidence.

### **ISSUE**

Did the Department properly assessed Petitioner for Food Assistance Program (FAP) and Medical Assistance (MA) program 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 as a Food Assistance Program and Medical Assistance benefit recipient.
2. On May 30, 2018, of the Department of Health and Human Services received a request for hearing from Petitioner regarding FAP and MA benefits for herself and three children. (Exhibit A, p. 1)
3. The Department initially approved for MA benefits.

4. The food assistance request for April of 2018, was denied for a group size of four, which include income for Heaven S. and Petitioner, for a total of \$3,877.00.
5. Net income budgeted was \$2,993.00 and the net income limit was \$2,050.00.
6. Housing expense budget it was \$550.00, and the Petitioner was eligible for the housing H/U standard of \$537.00.
7. This resulted in a total Food Assistance Program allows of \$0.00 because of excess income. (Exhibit A, pp. 9-11)
8. Petitioner's application dated April 13, 2018, FAP benefits were calculated excluding [REDACTED] and her income. [REDACTED] has not been in the household since December of 2017.
9. Check stubs for the 30 days prior to the budget were calculated in the FAP determination. (Exhibit A, pp.12-13)
10. Total household income was \$2,379.00. The net income is \$1,527.00. Net income limit is \$1,702.00. The housing expense budgeted was \$550.00. Petitioner qualified for the Heat and Utility Standard of \$537.00. Petitioner was eligible for \$45.00 monthly FAP benefits for household group of three. (Exhibit A, pp.14-16)
11. Petitioner is approved for Medical Assistance – Healthy Michigan Plan. The two children in the home were approved for MICHild and Healthy Kids Medical Assistance benefits beginning June 1, 2018. (Exhibit A, p. 17)

### **CONCLUSIONS OF LAW**

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his or her claim for assistance has been denied. MAC R 400.903(1). Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

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 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 testified that the Medical Assistance portion of the case has been resolved. She is only contesting the FAP amount.

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.

Federal regulations at 42 CFR 435.831 provides standards for the determination of the MA monthly protected income level. The department is in compliance with the program reference manual, tables, charts, schedules, table 240-1.

Pertinent Department policy dictates:

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The Department will provide an administrative hearing to review the decision and determine the appropriateness. The Michigan Administrative Hearing System (MAHS) may grant a hearing for any of the following:

- Denial of an application and/or supplemental payments.
- Reduction in the amount of program benefits or service.
- Suspension or termination of program benefits or service.
- Restrictions under which benefits, or services are provided.
- Delay of any action beyond standards of promptness.
- For FAP only, the current level of benefits or denial of expedited service. Department of Human Services Bridges Administrative Manual (BAM) 600 (April 1, 2017), pp 3-4.

The client or AHR has 90 calendar days from the date of the written notice of case action to request a hearing. The request must be received in the local office within the 90 days. BAM 600, page 6

Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if not paid directly such as income

paid to a representative. Income remaining after applying the policy in the income related items is called countable. This is the amount used to determine eligibility and benefit levels. Count all income that is not specifically excluded. BEM 500, page 1

Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives. BEM 500, pages 4-5

A non-categorically eligible, non-SDV FAP group must have income below the gross and net income limits.

Use only available, countable income to determine eligibility. The Bridges Eligibility Manual (BEM) 500 series defines countable income. BEM 505 defines available income and income change processing. This item describes income budgeting policy.

Always calculate income on a calendar month basis to determine eligibility and benefit amounts. Use income from a month specified in this item for the benefit month being considered.

Budget the entire amount of earned and unearned countable income. Gross countable earned income is reduced by a 20 percent earned income deduction. Every case is allowed the standard deduction shown in Reference Tables Manual (RFT) 255. Document income budgeting on either a manually-calculated or an automated FAP worksheet. (BEM 550, page 1)

A member add that increases benefits is effective the month after it is reported or, if the new member left another group, the month after the member delete. In determining the potential FAP benefit increase, Bridges assumes the FIP/SDA supplement and new grant amount have been authorized. When a member leaves a group to apply on his own or to join another group, do a member delete in the month you learn of the application/member add. If the member delete decreases benefits, adequate notice is given for the negative action. (BEM 550, page 4)

Simplified reporting (SR) groups are required to report only when the group's actual gross monthly income (not converted) exceeds the SR income limit for their group size. No other change reporting is required. If the group has an increase in income, the group must determine their total gross income at the end of that month. If the total gross income exceeds the group's SR income limit; see RFT 250, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. Once assigned to SR, the group remains in SR throughout the current benefit period unless they report changes at their semi-annual contact or redetermination that make them ineligible for SR. Note: Changes known to the department must be acted on even though the client is required to report only if the group's total gross income exceeds the SR income limit for their group size. SR does not change reporting requirements for any other program. (BAM 200, page 1)

The income limit is 130 percent of the poverty level based on group size. To determine the group's SR income limit, all eligible members of the FAP group are counted; see Reference Tables Manual (RFT) 250. Disqualified members are not included in the group size when determining the income limit. However, their budgetable income is included in the group's total gross income when comparing to the income limit. (BAM 200, page 2)

In this case, Petitioner receives \$2,379.00 per month in countable earned income. She receives an earned income deduction of \$476.00, for a post earned income deduction amount of \$1,903.00. Petitioner received a standard deduction of \$160.00. She receives an excess shelter deduction of \$216.00 per month for a total of \$1,527.00 in net monthly income. The maximum benefit amount allowed for a three-person household is \$504.00 per month. Thirty percent of Petitioner's net income equals \$459.00; \$504.00 maximum benefit minus thirty percent of Petitioner's net income \$459.00 equals a \$45.00 benefit amount.

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 has established by the necessary competent, material and substantial evidence on the record that it was acting in accordance with department policy when it determined that petitioner was eligible for a \$45.00 per month in Food Assistance Program benefits. The department has established its case by a preponderance of the evidence.

**DECISION AND ORDER**

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

LL/bb



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**Landis Lain**  
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**

Jeanette Cowens  
2524 Clark Street  
Detroit, MI 48209

Wayne County (District 41), DHHS

BSC4 via electronic mail

M. Holden via electronic mail

D. Sweeney via electronic mail

**Petitioner**

[REDACTED]  
MI [REDACTED]