



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

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

Date Mailed: March 20, 2019  
MAHS Docket No.: 19-000755  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler**

**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 February 28, 2019, and continued to March 18, 2019, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by Ryan Clemons, Family Independence Manager, and Mark McBride, Eligibility Specialist.

**ISSUE**

Did the Department properly consider Petitioner's medical expenses for the Food Assistance Program (FAP)?

**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 and the Department have had a series of hearings related to the issue of whether the Department properly considered Petitioner's medical expenses for the FAP over the course of more than a year.
2. On October 10, 2018, a letter was issued to Petitioner on Department letterhead explaining the process and requirements for submission and consideration of medical expenses.
3. On January 14, 2019, the Department received a letter dated [REDACTED], 2019, from [REDACTED] two receipts for medical transportation expenses,

and a medical expense invoice from [REDACTED] totaling \$18.93 from Petitioner.

4. On [REDACTED], 2019, the Department received a receipt for medical transportation expenses in the amount of \$15.00 for Petitioner from [REDACTED] Services.
5. On January 25, 2019, the Department received Petitioner's request for hearing disputing the Department's consideration of Petitioner's medical expenses for February 2019.
6. Effective February 2019, the Department considered the following medical expenses: a recurring Medicare Part D Premium of \$39.20; a recurring \$49.38 medical transportation expense based upon three trips per month; a recurring \$33.00 prescription medical expense; and finally, a one-time medical expense in the amount of \$18.93 based upon the [REDACTED] invoice.
7. The most recent hearing between the parties was held before the undersigned on February 28, 2019, in Michigan Administrative Hearing System (MAHS) docket number 19-000754 and specifically addressed the issues of whether Petitioner's medical expenses were properly considered for January 2019 as well as whether the Department could require Petitioner to follow the guidelines listed in the October 10, 2018, letter.

### **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, Petitioner continues to contest the Department's consideration of her medical expenses. The hearing request as it relates to this case was specific to the application of medical expenses for February 2019. The parties do not dispute that Petitioner is eligible for a medical expense deduction based upon her status as a Senior, Disabled, or Disabled Veteran (SDV) group member. Policy provides that groups with one or more SDV member are entitled to a medical expense deduction for medical expenses of the SDV member that exceed \$35.00. BEM 554 (August 2017),

p. 1. In order to provide clients with a medical expense deduction, the Department must estimate an SDV person's medical expenses for the benefit period using the following criteria:

- Verified allowable medical expenses.
- Available information about the SDV member's medical condition and health insurance.
- Changes that can reasonably be anticipated to occur during the benefit period.

BEM 554 (August 2017), pp. 8-9. In an effort to resolve the ongoing disputes regarding consideration of Petitioner's medical expenses, the Department issued the October 10, 2018, letter to Petitioner explaining how her medical expenses would be considered. The letter advises Petitioner that if she would like additional medical expenses to be considered which were not already included in her budget, she must provide clear supporting documentation showing that the expense belongs to her, the date of service, who provided the service, the client's cost after application of insurance and third-party payments, and that the expense is not included in the already recurring budgeted expenses. As an example, the Department has already budgeted the cost of three medical transportation expenses per month in the amount of \$49.83. The cost of three medical transportation expenses are considered each month in Petitioner's budget whether or not she provides proof of those trips and whether or not she actually takes three medically related trips each month. Since three medical expense transportation trips have already been budgeted each month, if Petitioner incurs additional medical transportation expenses per month and she would like the additional transportation costs to be considered in her FAP budget, the Department requires that Petitioner show that she has incurred the costs of all five trips; otherwise, there is no way for the Department to verify that she is entitled to the additional medical transportation expenses. Therefore, if Petitioner incurs the cost of five or eight medical-related transportation expenses in one month, she must verify with documentation provided to the Department that she has incurred all five or all eight transportation expenses and not just the new or additional transportation costs.

The Department's position as described in the letter is consistent with policy which states that the Department is required to "verify reported changes in the source or amount of medical expenses if the change would result in an increase in benefits." BEM 554, p. 12. Since additional transportation costs beyond what has already been budgeted would increase Petitioner's benefit rate, the Department is correct that it needs to verify all medical transportation expenses; otherwise, it would not be able to ascertain that there was in fact a change.

Turning to the issue of medical expenses submitted in January 2019 for consideration by the Department in February 2019. The Department received proof of a medical expense for services and medical expense transportation costs on [REDACTED] 2019. The Department properly considered Petitioner's medical expense for services, and

Petitioner does not dispute its consideration. In addition to the [REDACTED] 2019, verifications, the Department also received a medical expense transportation verification on [REDACTED] 2019, from Petitioner for transportation provided by [REDACTED]. Petitioner disputes the Department's failure to consider any of the medical expense transportation costs submitted in January 2019. The Department's position is that the first expenses submitted on [REDACTED] 2019, did not have a date listed on them, and that the second expenses received on [REDACTED] 2019, only showed proof of one incident of transportation costs, which without proof of additional transportation costs would be included in her regularly budgeted transportation expenses.

The letter dated October 10, 2018, addressed to Petitioner and discussed above states, in part,

[REDACTED] stated she cannot get a receipt showing where she was picked up from or dropped off at [sic], the Department will accept a transportation receipt if [REDACTED] writes the address she was picked up from at [sic] and the location (Dr. Office, pharmacy, etc.) where she was dropped off. Along with the transportation receipt[,] a receipt from the location must accompany the transportation receipt. Example: If the transportation receipt shows [REDACTED] went to the pharmacy[,] then a receipt from the pharmacy must accompany the transportation receipt, same with a doctor's visit.

The parties agree that Petitioner submitted a letter from [REDACTED] dated [REDACTED] 2019, indicating she had been seen in the clinic on that day at the same time she submitted the medical expense transportation costs on [REDACTED] 2019. Unfortunately for the parties, due to the way the Department processes verifications and scans them into Bridges, the caseworker must decipher which documents go together and which documents are separate. The transportation receipts show that the destination for Petitioner's medical trip was [REDACTED] located at 6100 Haggerty Road. The letter submitted on the same day has a signature line and address line indicating that the doctor was located at 6100 Haggerty Road. It should not take much for the Department to associate these documents since they came together in the same set of verifications and list the same address. The fact that the date is not listed on the transportation receipt is an insufficient explanation for the Department's failure to consider these medical expenses when coupled with the letter, especially given the Department's instructions on the October 10, 2018, letter, and the fact that the letter was meaningless to the Department when reviewed separately from the transportation expenses. In addition, if there was any confusion about why the letter was submitted or whether the letter and the transportation expenses should be reviewed together, the Department has a duty pursuant to policy to make collateral contacts. BAM 130 (April 2017), p. 1. A collateral contact is a direct contact with a

person, organization, or agency to verify information from the client. BAM 130, p. 2. It is used when documentation is not available or when available evidence needs clarification. *Id.* The Department is responsible for requesting suitable collateral contacts from the client and obtaining the verification. BAM 130, p. 3. Therefore, the Department has not shown that it was acting in accordance with policy in its justification for exclusion of the [REDACTED] 2019, medical expenses. However, since there were only two trips provided and Petitioner is automatically budgeted three trips per month, these expenses were properly excluded.

Petitioner also submitted medical transportation expenses on [REDACTED] 2019, for transportation provided by [REDACTED]. The Department did not consider this expense because Petitioner did not show that she had incurred medical transportation expenses beyond the three previously budgeted medical trips per month. Even after consideration of the two medical transportation expenses submitted on [REDACTED] 2019, Petitioner still had not provided proof of a medical transportation expense greater than what was previously budgeted by the Department. Therefore, the Department's failure to include Petitioner's transportation expenses from [REDACTED] and [REDACTED] in the February 2019 budget is in accordance with Department policy.

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 considered Petitioner's submitted medical expenses for February 2019.

### DECISION AND ORDER

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

AMTM/jaf



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**Amanda M. T. Marler**

Administrative Law Judge  
for Robert Gordon, 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**

Sarina Baber  
MDHHS-Washtenaw-Hearings

**Petitioner**

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

BSC4  
M Holden  
D Sweeney