



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED], MI [REDACTED]

Date Mailed: September 5, 2019  
MOAHR Docket No.: 19-007876  
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 September 3, 2019, from Lansing, Michigan. Petitioner represented herself. The Department of Health and Human Services was represented by Gregory Folsom.

### **ISSUE**

Did the Department of Health and Human Services (Department) properly determine Petitioner's eligibility for Food Assistance Program (FAP) and Medical Assistance (MA) 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 Food Assistance Program (FAP) recipient as a group of one.
2. Department records indicate that on April 24, 2019, Petitioner voluntarily requested that her Medical Assistance (MA) benefits be closed. Exhibit A, p 21.
3. On April 30, 2019, the Department received Petitioner's Redetermination (DHS-1010) form. Exhibit A, pp 4-11.
4. On April 30, 2019, the Department received verification that Petitioner is responsible for properly taxes in the semi-annual amounts \$192.56 and \$502.92. Exhibit A, p 16.

5. On April 30, 2019, the Department received verification that Petitioner is responsible for homeowner's insurance in the monthly amount of \$52.78. Exhibit A, pp 17-18.
6. Petitioner received earned income in the gross bi-weekly amount of \$597.71 on April 26, 2019, and \$567.00 on April 12, 2019. Exhibit A, pp 24-25.
7. On May 6, 2019, the Department sent Petitioner a Notice of Missed Interview (DHS-254). Exhibit A, p 39.
8. On May 7, 2019, the Department notified Petitioner that she was eligible for a \$15 monthly allotment of Food Assistance Program (FAP) benefits effective June 1, 2019. This notice indicated that Petitioner was responsible for housing expenses in the monthly amount of \$93.31. Exhibit A, pp 31-34.
9. On May 7, 2019, the Department notified Petitioner that she was no longer eligible for Medical Assistance (MA) effective June 1, 2019. Exhibit A, pp 35-38.
10. On July 23, 2019, the Department received Petitioner's request for a hearing. Exhibit A, p 3.

### **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).

#### Medical Assistance (MA)

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.

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. Department of Health and Human Services Bridges Eligibility Manual (BEM) 105 (April 1, 2017), p 2.

Petitioner was an ongoing MA recipient as a group of one receiving benefits under the Health Michigan Plan (HMP) category. Department records indicate that Petitioner requested that her MA benefits be closed on April 24, 2019. On May 7, 2019, the

Department notified Petitioner that she was no longer eligible for MA benefits effective June 1, 2019.

The Healthy Michigan Plan has beneficiary cost sharing obligations. Cost sharing includes copays and contributions based on income, when applicable. Department of Health and Human Services Bridges Eligibility Manual (BEM)137 (January 1, 2019), p 1.

Petitioner did not dispute that she requested that her HMP benefits be closed because she felt that the cost sharing obligations were excessive and felt that she should be eligible for a category of MA with no cost to her.

The evidence supports a finding that Petitioner is not disabled, the caretaker of a minor child, pregnant, or having an income less than the 54% of the federal poverty level. Petitioner does not qualify for any category of MA other than HMP, and the Department had placed her in the most beneficial category of MA she was eligible for before she requested that those benefits be closed.

#### Food Assistance Program (FAP)

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 receives a prospective gross monthly income of \$1,252, which was determined by converting her most recent two bi-weekly paychecks to a monthly amount by multiplying the average of her most recent paychecks by the 2.15 conversion factor as directed by BEM 505. Petitioner's adjusted gross income of \$843 was determined by reducing her income by the 20% earned income deduction and the \$158 standard deduction.

Petitioner is entitled to a \$233 shelter deduction, which was determined by adding her \$110.90 housing expense to the \$543 standard heat and utility deduction, then subtracting 50% of her adjusted gross income. The \$110.90 housing expenses was determined by adding her annual property tax obligation divided by 12 months to her monthly homeowner's insurance obligation.

Petitioner's net monthly income of \$610 was determined by reducing her adjusted gross income by the shelter deduction. A group of one with a net income of \$610 is entitled to a \$15 monthly allotment of FAP benefits. Department of Health and Human Services Reference Table Manual (RFT) 260 (October 1, 2018), p 9X.

The May 7, 2019, Notice of Case Action indicated a \$93.31 housing obligation, which is not consistent with the most recent verification material received by the Department.


However, the evidence supports a finding that the Department applied a \$110.90 housing obligation towards Petitioner's eligibility for FAP benefits effective June 1, 2019. Further, Petitioner remains eligible for a \$15 monthly allotment of FAP benefits regardless of whether her housing expenses are \$93.31 or \$110.90.

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) as of June 1, 2019.

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.

KS/hb

  
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**Kevin Scully**  
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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**DHHS**

Gregory Folsom  
4809 Clio Road  
Flint, MI 48504

Genesee County (Clio), DHHS

BSC2 via electronic mail

M. Holden via electronic mail

D. Sweeney via electronic mail

**Petitioner**

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