



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: December 13, 2019  
MOAHR Docket No.: 19-011962  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie**

### **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 December 5, 2019, from Lansing, Michigan. The Petitioner was represented by himself with his guardian and mother, [REDACTED] and stepfather, [REDACTED]. The Department of Health and Human Services (Department) was represented by Kelly Teed, Hearing Facilitator.

### **ISSUE**

Did the Department properly determine Petitioner's eligibility for the Food Assistance Program (FAP) and Medical Assistance (MA)?

### **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 [REDACTED], 2019, Petitioner applied for FAP and MA where he reported that he was divorced and living with his parents, but that they do not purchase, prepare, and eat food together. He is responsible for paying \$300 a month in rent. He received Social Security RSDI benefits of \$1,091.00 a month. Department Exhibit 1, pgs. 3-7 and 17-19.
2. On October 14, 2019 the Department Caseworker sent Petitioner a Health Care Coverage Determination Notice, DHS-1606, that his application for MA was approved where effective November 1, 2019, he had a monthly deductible for MA

of \$663 that he must meet in order for him to be eligible for MA. Department Exhibit 1, pgs. 8-11.

3. On October 14, 2019, the Department Caseworker sent Petitioner a Benefit Notice, DHS-176, indicating that he was eligible for FAP benefits of \$20 per month effective October 1, 2019. Department Exhibit 1, pgs. 12-16.
4. On June 12, 2018, the Department received a hearing request from Petitioner, contesting the Department's negative action.

### **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.

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.

In this case, Petitioner's household group changed from two to one because of his divorce. His income stayed the same, but he had a decrease in his rent requirement from \$443 to \$300 because he moved back home with his parents. This resulted in a decrease in FAP benefits. As a result of the decrease in his household composition from two to one, he no longer qualified for MA Ad Care, but a deductible due to excess income. BEM 211 and 212. ERM 201.

As a result of his excess income for MA AD-Care from his change in household composition from two to one, Petitioner was determined eligible for a MA Spenddown/Deductible case. Department Exhibit 1, pg. 23. Petitioner had RSDI income of \$1,091. After deductions of a \$20 unearned income general exclusion and a protected income of \$408, Petitioner had a deductible of \$663 that he must meet before being eligible for MA.

As a result of a change in household group composition from two to one, Petitioner had a decrease in FAP benefits. Petitioner had unearned income of \$1,091. After deductions from his gross income of \$1,091 of \$161 standard deduction for an adjusted gross income of \$930. Petitioner was given a total shelter deduction of \$818, resulting from a housing expense of \$300 and heat and utility standard of \$518. Petitioner was given an adjusted excess shelter deduction of \$353, with a total shelter deduction of \$818 minus 50% of adjusted gross income of \$465. Petitioner had a net income of \$577, which was the adjusted gross income of \$930 minus the excess shelter deduction of \$353. With a net income of \$577, Petitioner qualified with a household group size of one for a maximum benefit of \$194 plus \$0 in economic recovery minus 30% of net income of \$174, resulting in a net benefit amount of \$20. Department Exhibit 1, pgs. 20-22.

During the hearing, Petitioner provided written verification that he pays his mother \$100 a month to be his guardian. The Department will run a new budget to determine eligibility for FAP and MA based on that expense. However, this occurred after the hearing request.

### **DECISION AND ORDER**

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 was only eligible for \$20 a month in FAP benefits and a MA deductible of \$663 due to the change in his household composition from two to one.

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

CF/hb



---

**Carmen G. Fahie**  
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**

Vivian Worden  
21885 Dunham Road  
Clinton Twp., MI 48036

Macomb County (District 12), DHHS

BSC4 via electronic mail

M. Holden via electronic mail

D. Sweeney via electronic mail

D. Smith via electronic mail

EQADHS via electronic mail

**Petitioner**

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