



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: March 6, 2020
MOAHR Docket No.: 20-000935
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: John Markey

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 March 4, 2020 from Detroit, Michigan. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Lianne Scupholm, Hearings Facilitator. During the hearing, a 33-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-33.

ISSUE

Did the Department properly determine Petitioner's eligibility for Food Assistance Program (FAP) benefits, effective January 1, 2020?

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 was an ongoing recipient of FAP benefits from the Department. As a disabled individual, he was categorically eligible without respect to the gross income test.
2. On December 10, 2019, the Department issued to Petitioner a Notice of Case Action informing Petitioner he was eligible for \$16 per month in FAP benefits, effective January 1, 2020. Exhibit A, pp. 3-7.
3. The December 10, 2019 Notice of Case Action included a budget that detailed every input the Department used in making the calculation of Petitioner's FAP

benefits. Notably, the Department was budgeting \$110 of monthly medical expenses because Petitioner was paying for his Medicare Part B premium at the time. Exhibit A, pp. 3-7.

4. Over the course of 2019, Petitioner submitted many documents Petitioner characterized as medical bills. Some of them were presented in the hearing packet and others were testified to during the hearing. Exhibit A, pp. 8-17; 24-28.
5. During the hearing, Petitioner acknowledged that he had not incurred \$500 or more dollars in medical expenses during any given month. Even viewing the evidence in the most favorable terms, there was no relevant month in which the expenses were greater than \$350.
6. On [REDACTED] 2020, Petitioner submitted to the Department a request for hearing objecting to the Department's failure to increase his FAP benefits upon receiving his medical expenses.

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 objects to the Department's processing of medical expenses submitted by Petitioner. Petitioner believes that upon receiving the expenses, the Department was required to credit his EBT card with an amount that is equal to some unstated percentage of the submitted expenses. Instead, Petitioner has received \$16 each month in FAP benefits, regardless of his medical expenses.

During the hearing, Petitioner acknowledged that in no relevant recent month did he pay or incur \$500 worth of medical expenses, and the evidence shows that he came nowhere near even having \$350 of medical expenses during any month. Thus, if having \$350 in medical expenses input into a hypothetical budget with Petitioner's other information fails to produce a higher FAP allotment, Petitioner's claim that medical expenses were not properly processed must fail. After all, if a hypothetical person in Petitioner's exact same situation with medical expenses well beyond what Petitioner experienced would still get the same \$16 allotment, it would mean that the Department

did not shortchange Petitioner when factoring in his admittedly much lower medical expenses.

Petitioner had monthly unearned income of \$1,404 and monthly housing expenses of \$63.67. He was also responsible for \$31.25 in monthly child support. Given Petitioner's household size of one, the calculation includes a standard deduction of \$161. Petitioner also qualified for application of the heat/utility (h/u) standard of \$518.

The standard deduction of \$161 must be taken out of Petitioner's gross income to arrive at a figure of \$1,243. RFT 255 (October 2019), p. 1. Petitioner had child support expenses of \$31.25. Subtracting those expenses from the \$1,243 results in a figure of \$1,212. As stated above, this hypothetical budget includes a \$350 medical expense deduction simply to demonstrate that even if the Department factored in way more medical expenses than Petitioner has ever asserted, Petitioner would still not see an increase in his FAP benefits allotment. By including the wildly inflated \$350 medical expense deduction, Petitioner's adjusted gross income would be reduced to \$862.

Petitioner is eligible for the excess shelter deduction. Petitioner had verified housing costs of \$64 per month. Petitioner was also eligible for the h/u standard of \$518 based on the fact that Petitioner pays for heat at his home. RFT 255, p. 1. Adding the expenses Petitioner qualified for together, Petitioner had monthly shelter expenses of \$582. The excess shelter deduction is calculated by subtracting from the \$582 one half of the adjusted gross income of \$862, which is \$431. The remaining amount, if it is greater than \$0, is the excess shelter deduction. In this case, the remaining amount is \$151. Petitioner's net income of \$711 is calculated by subtracting the excess shelter deduction (\$151) from the adjusted gross income (\$862). The Food Assistant Issuance Table shows \$16 in benefits for \$711 net income for a household of one. RFT 260 (October 2019), p. 10.

Petitioner objected to the Department's processing of his medical expenses and believed he was entitled to more than \$16 in FAP benefits per month. As shown in the hypothetical above, Petitioner would not receive more than \$16 in FAP benefits in any given month even if he had medical expenses factored into his budget that are way beyond what he has ever asserted. Because Petitioner would not be entitled to additional benefits even if medical expenses beyond what Petitioner ever claimed were factored into his budget, the Department did not shortchange Petitioner in processing his medical expenses.

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 FAP benefits, effective January 1, 2020.

DECISION AND ORDER

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

JM/tm



John Markey
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

Carisa Drake
190 East Michigan
Battle Creek, MI
49016

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

cc: FAP: M. Holden; D. Sweeney
Calhoun County AP Specialist (3)