



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

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██████████, MI ██████████

Date Mailed: February 17, 2021
MOAHR Docket No.: 20-005500
Agency No.: ██████████
Petitioner: ██████████

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, a telephone hearing was held on February 9, 2021. Petitioner represented himself. The Department was represented by Mary Acker and Joe Kulpa.

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) and Medical Assistance (MA) recipient at all times relevant to this hearing.
2. On July 9, 2020, the Department received Petitioner's Renew Benefits from. Exhibit A, pp 5-8.
3. On July 28, 2020, the Department received Petitioner's Redetermination (DHS-1010) form. Exhibit A, pp 9-22.
4. Petitioner receives monthly pension in the gross monthly amount of \$██████████ Exhibit A, p 56.
5. Petitioner is responsible for ongoing medical insurance premiums in the monthly amount of \$164.55. Exhibit A, p 37.

6. Petitioner reported receiving prescription drugs and over-the-counter medication costing \$1,060.83 on August 1, 2020. Exhibit A, p 37.
7. Petitioner is responsible for rent in the monthly amount of \$895. Exhibit A, pp 46-54.
8. Petitioner is responsible for heating expenses at his home which are paid separately from his rent. Exhibit A, p 6.
9. On August 4, 2020, the Department notified Petitioner that he was eligible for a \$16 monthly allotment of Food Assistance Program (FAP) benefits as of September 1, 2020. Exhibit A, pp 69-76.
10. On August 17, 2020, the Department received Petitioner's request for a hearing protesting the Department's determination of his eligibility for Food Assistance Program (FAP) benefits as of September 1, 2020. Exhibit A, p 4.

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) is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 through 7 USC 2036a. It is implemented by the federal regulations contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq*, and Mich Admin Code, R 400.3001 through 400.3011.

All earned and unearned income available is countable unless excluded by policy. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2020).

When determining countable expenses towards eligibility for FAP benefits, the Department will only consider the medical expenses of senior/disabled/veterans in the eligible household. Recipients of FAP benefits are not required to but may voluntarily

report medical expenses during the benefit period. Department of Health and Human Services Bridges Eligibility Manual (BEM) 554 (January 1, 2020), pp 8-9.

For household without any senior/disabled/veteran members, the Department will deny FAP benefits if gross monthly income exceeds 130% of the federal poverty level. Department of Health and Human Services Bridges Eligibility Manual (BEM) 556 (February 1, 2021), p 3.

On July 9, 2020, the Department initiated a review of Petitioner's eligibility for ongoing FAP benefits based on his circumstances at that time. Petitioner receives a monthly pension payment in the gross monthly amount of \$1,739 and all of this income is countable towards his eligibility for FAP benefits. Normally a household of one with this amount of income is not eligible for any FAP benefits because it exceeds 130% of the federal poverty level, but in this case, Petitioner remains eligible for FAP benefits only because he is disabled.

Petitioner is entitled to a \$161 standard deduction. The Department determined that Petitioner is also entitled to a \$218 deduction for medical expenses. Petitioner is responsible for an ongoing monthly medical insurance premium of \$164.55. Petitioner incurred a \$1,060.83 expense for medication incurred on August 1, 2020. The expense for medication was averaged over the first 12 months of the benefit certification as directed by BEM 554, giving him a \$88.40 monthly expense deduction. Petitioner's monthly medical deduction of \$218 was determined by reducing the total of his medical premium and monthly prospective medication expenses by \$35 as directed by policy in BEM 556.

Reducing Petitioner's gross monthly income by the standard deduction and his medical deduction leaves him with an adjusted gross income of \$[REDACTED]

Petitioner is entitled to a \$733 excess shelter deduction. This amount was determined by reducing the sum of his monthly rent and a \$518 standard heat and utility deduction by 50% of his adjusted gross income.

For the purposes of determining his eligibility for FAP benefits, Petitioner's net income of \$[REDACTED] was determined by reducing his adjusted gross income by the excess shelter deduction. A household of one with a net income of \$[REDACTED] is entitled to a \$16 monthly allotment of FAP benefits. Department of Health and Human Services Reference Table Manual (RFT) 260 (October 1, 2020), p 15.¹

The Department also redetermined Petitioner's eligibility for ongoing MA benefits.

The income limit to participate in the Healthy Michigan Plan (HMP) is 133% of the federal poverty level. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

¹ RFT 260 is a 65-page document available for the public to review on the internet at <https://dhhs.michigan.gov/OLMWEB/EX/RF/Public/RFT/260.pdf>

Eligibility for HMP benefits is determined based on the clients modified adjusted gross income (MAGI), which includes pension income. Petitioner receives a monthly pension in the gross monthly amount of \$[REDACTED]. The federal poverty level in 2020 for a household of one was \$1,063 per month. Therefore, because Petitioner receives a gross monthly income of 164% of the federal poverty level, he is not eligible for HMP benefits.

The Department does not dispute that Petitioner is disabled, and based on this disability, he is potentially eligible for "full MA benefits" under the AD-CARE category. This category of Medicaid is only available to those with a gross monthly income less than the federal poverty level, and Petitioner is not eligible for those benefits based on his income. BEM 163.

Therefore, the Department determined Petitioner's eligibility for MA benefits under the G2S category. Petitioner's monthly income that is countable towards his eligibility for this category was determined by reducing his gross monthly income of \$[REDACTED] by the \$20 general income exclusion, and his \$165.55 monthly medical insurance premium. Petitioner's monthly deductible of \$1,163, was determined by reducing his countable monthly income by his protected income limit. The protected income level of \$391 is taken from RFT 245 based on a household of one living in Kent County.

A review of Petitioner's case reveals that the Department budgeted the correct amount of income received by the Petitioner. Petitioner's "protected income level" is \$391, and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department's determination that the Petitioner has a \$1,163 deductible per month she must meet in order to qualify for MA for any medical expenses above that is therefore correct.

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) and Medical Assistance (MA) benefits as of September 1, 2020.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/nr



Kevin Scully
Administrative Law Judge
for Elizabeth Hertel, 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

Petitioner

Eric Aumueller
3920 Kenowa Ave SW Apt 1
Grandville, MI
49418

Kent County DHHS- via electronic mail

BSC3- via electronic mail

M. Holden- via electronic mail

D. Sweeney- via electronic mail

C. George- via electronic mail

EQAD- via electronic mail

DHHS

[REDACTED] - via first class mail
[REDACTED]
[REDACTED], MI
[REDACTED]