



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA  
DIRECTOR



Date Mailed: August 19, 2024  
MOAHR Docket No.: 24-008028  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford**

### **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 August 8, 2024. Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Dequindre Williamson, Assistance Payments Supervisor.

### **ISSUE**

Did the Department properly determine Petitioner's Food Assistance Program (FAP) monthly benefit amount?

### **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.
2. Petitioner is [REDACTED] years old and disabled.
3. On March 14, 2024, the Department received a State Emergency Relief (SER) application from Petitioner requesting heat assistance. (Exhibit A, pp. 6-17). In this application, Petitioner reported monthly medical expenses in the amount of \$150.
4. In 2024, Petitioner's monthly Social Security Insurance (SSI) benefit payment increased from [REDACTED] to [REDACTED] per month.

5. Petitioner receives a shelter grant from the Michigan State Housing Development Authority (MSHDA). In July 2024, Petitioner's MSHDA shelter obligation went from \$217 per month to \$351 per month.
6. On July 8, 2024, the Department received a request for hearing from Petitioner disputing the Department's action with respect to her FAP case. (Exhibit A, pp. 3-5).
7. On July 12, 2024, the Department sent a Notice of Case Action (NOCA) to Petitioner informing her that effective August 1, 2024 her FAP benefits would increase to \$258 per month. (Exhibit A, pp. 24-28).

### **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.

Petitioner requested a hearing based on a reduction in her FAP benefits. At the hearing, the Department testified that Petitioner's FAP benefit decreased when her SSI benefits increased in May 2024. Subsequently, the Department concluded that based on an increase to Petitioner's housing obligation, she was eligible for an FAP benefit increase to \$258 per month effective August 1, 2024. Petitioner continued to dispute the Department's determination and argued that her FAP benefit amount should be the highest allowable benefit amount for a FAP group size of one, which is \$291 per month. The Department asserted that its determination was based on policy and Petitioner's monthly unearned income.

In this case, the Department determined that Petitioner was eligible for \$258 in monthly FAP benefits and referred to the budget summary on the July 12, 2024 NOCA to support its calculation. (Exhibit A, p. 25). The budget showed unearned income of [REDACTED] (Exhibit A, pp. 24-25). All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits and group composition policies specify whose income is countable. BEM 500 (April 2022), pp. 1-5. For FAP benefit cases, the Department counts the gross amount of current SSA-issued SSI as unearned income. BEM 503 (April 2024), p. 36.

Based on the budget summary and Department testimony, Petitioner received unearned income in the amount of [REDACTED] per month, which was the sum of Petitioner's monthly SSI benefits plus a monthly State SSI Payment (SSP). In Michigan, SSI benefits include a basic federal benefit, and an additional amount paid with state funds, known as SSP. BEM 660 (October 2021), p. 1. Petitioner receives a quarterly SSP, in the amount of [REDACTED] RFT 248, (January 2024) p. 1. The SSP benefit amount is considered in calculating FAP unearned income for the corresponding month it is intended to cover. BEM 503, p. 37. Thus, the Department properly budgeted [REDACTED] of SSP in calculating Petitioner's monthly gross unearned income.

Once countable income is calculated, the Department must determine which deductions are available to Petitioner. Because Petitioner is disabled, she is considered a senior/disabled/disabled veteran (SDV) member. BEM 550 (February 2024), p. 1. Households with a SDV member with unearned income may be eligible for the following deductions:

- Standard deduction based on group size.
- Dependent care expense.
- Medical expense deduction for medical expenses of the SDV member in excess of \$35.
- Court ordered child support and arrearages paid to non-household members.
- Excess shelter deduction.

BEM 554 (February 2024), p. 1; BEM 556 (March 2024), pp. 3-6.

All groups are entitled to a standard deduction in an amount determined by the group size. BEM 550, p. 1. Groups of 1 or 3 receive a standard deduction of \$198. RFT 255 (October 2023), p. 1. The Department properly deducted \$198 from Petitioner's countable income, as shown on the July 12, 2024 NOCA Budget Summary.

SDV groups who verify one-time or ongoing medical expenses in excess of \$35 for the SDV member, will receive a standard medical deduction of \$165 unless the group has actual medical expenses in a higher amount and verify those actual medical expenses. BEM 554, p. 9. Petitioner did assert in her March 2024 SER application that she pays \$150 monthly for medical supplies. (Exhibit A, p. 12). At the hearing, Petitioner testified that her monthly cost for medical supplies were \$200. Based on the budget summary, the Department did not provide Petitioner with any deductions for her reported medical expenses. Therefore, the Department did not properly determine Petitioner's FAP benefit amount when it did not provide consideration for her ongoing medical expenses as reported on the March 2024 SER application. Additionally, if Petitioner's medical expenses now exceed \$165, and Petitioner verifies those expenses to the Department, the Department can budget actual, verified 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 did not in

accordance with Department policy when it determined Petitioner's monthly FAP benefit amount.

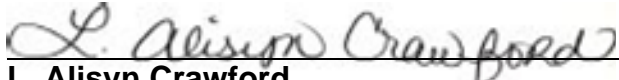
**DECISION AND ORDER**

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Petitioner's eligibility for FAP benefits, requesting verification of household medical expenses, if necessary, based on SER application date of March 14, 2024 August 1, 2024 ongoing;
2. If eligible, issue any supplemental payments for any FAP benefits that Petitioner was eligible to receive, but did not, from March 14, 2024 ongoing; and
3. Notify Petitioner in writing of its decision.

LC/ml

  
**L. Alisyn Crawford**  
Administrative Law Judge

**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

**Via Electronic Mail:**

**DHHS**

Yaita Turner

Oakland County Southfield District III

25620 W. 8 Mile Rd

Southfield, MI 48033

**MDHHS-Oakland-6303-Hearings@michigan.gov**

**Interested Parties**

BSC4

M Holden

B Cabanaw

N Denson-Sogbaka

MOAHR

**Via First Class Mail:**

**Petitioner**

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