



GRETCHEN WHITMER  
GOVERNOR

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

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Date Mailed: September 19, 2024  
MOAHR Docket No.: 24-009213  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Linda Jordan**

**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 hearing was held on September 12, 2024, via teleconference. Petitioner appeared and represented herself. Hannah Czechowski, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted at the hearing as MDHHS Exhibit A, pp. 1-64.

**ISSUES**

1. Did MDHHS properly determine Petitioner's Food Assistance Program (FAP) benefit rate?
2. Did MDHHS properly determine Petitioner's eligibility for Medicaid (MA) and Medicare Savings Program (MSP) 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 was an ongoing recipient of FAP, MA and MSP benefits.
2. On ██████████ 2024, Petitioner submitted a redetermination for FAP (Exhibit A, p. 8).
3. On July 1, 2024, MDHHS sent Petitioner a Verification Checklist (VCL), requesting verification of rental payment, a checking account and savings account/██████████ account (Exhibit A, p. 17). The VCL indicated that the proofs were due by July 11, 2024 (Exhibit A, p. 17).
4. On ██████████ 2024, Petitioner returned a shelter verification form to MDHHS (Exhibit A, p. 25).

5. On July 24, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that she was approved for FAP benefits for a household of one, beginning July 1, 2024 (Exhibit A, p. 36). The FAP benefit rate was \$[REDACTED] per month (Exhibit A, p. 36).
6. On July 24, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was eligible for Plan First MA, a limited coverage category, effective September 1, 2024 ongoing (Exhibit A, p. 44). The notice indicated that Petitioner was not eligible for MSP, effective September 1, 2024 ongoing (Exhibit A, p. 45).
7. On July 31, 2024, MDHHS sent Petitioner a VCL requesting verification of “Bank Account Savings” and “Bank Account Checking” by August 12, 2024 (Exhibit A, p. 49).
8. On August 5, 2024, Petitioner submitted a request for hearing regarding MA, MSP and FAP (Exhibit A, pp. 3-4).

### **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)**

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. MDHHS 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, MDHHS determined that Petitioner was eligible for \$[REDACTED] per month in FAP benefits, beginning July 1, 2024. Petitioner disputed the FAP benefit rate. FAP beneficiaries are entitled to dispute their benefit amount whenever they believe that the amount is incorrect. BAM 600 (March 2021), p. 5.

To determine whether MDHHS properly calculated Petitioner’s FAP benefit amount, it is necessary to evaluate the household’s countable income. BEM 500 (April 2022), pp. 1-5. After income is calculated, MDHHS must determine applicable deductions. Petitioner’s FAP group is considered a Senior/Disabled/Disabled Veteran (SDV) group. BEM 550 (February 2024), p. 1. SDV groups are eligible for the following deductions.

- Earned income deduction
- Dependent care expense
- Court ordered child support and arrearages paid to non-household members
- Standard deduction based on group size
- Medical expenses for SDV members that exceed \$35

- Excess shelter up to the maximum in RFT 255

BEM 550, p. 1; BEM 554 (February 2024), p. 1; BEM 556 (May 2024), p. 3. No evidence was presented that Petitioner had earned income, dependent care expenses, or court-ordered child support. However, Petitioner testified that she reported an ongoing medical expense to MDHHS in the amount of \$█████ per month. That deduction was not included in the budget and MDHHS did not provide any information regarding the deduction.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's FAP benefit rate.

### **Medicaid (MA)**

MA 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. MDHHS administers MA pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2024), p. 1.

The Medicare Savings Program (MSP) is a state program administered by MDHHS in which the state pays an eligible client's Medicare premiums, coinsurances, and deductibles, with coverage depending on the MSP category that the client is eligible to receive based on the client's income. BEM 165 (June 2024), pp 1-2; BAM 810 (January 2020), p. 1. All eligibility factors for the program must be met in the calendar month being tested. BEM 165, p. 2. There MSP categories are as follows: (1) QMB (Qualified Medicare Beneficiary), which pays for a client's Medicare premiums (both Part A, if any, and Part B), Medicare coinsurances and Medicare deductibles; (2) Specified Low-Income Medicare Beneficiaries (SLMB), which pays for a client's Medicare Part B premiums; (3) Additional Low Income Medicare Beneficiaries (ALMB), which pays for a client's Medicare Part B premiums when funding is available; and (4) Non-Categorically Eligible Michigan Beneficiary, which pays the Medicare Part B premiums (and the part A premiums for the few who have them) for full coverage Medicaid beneficiaries not otherwise eligible for MSP. BEM 165, pp. 1-2.

In this case, MDHHS denied Petitioner for full-coverage MA and MSP because it alleged that she failed to return the requested verifications prior to the deadline.

MDHHS requests verification of a client's written or verbal statements when required by policy or when information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130 (October 2023), p. 1. The questionable information might be from a client or third party. *Id.* Verification is usually required at application or redetermination. *Id.* To request verification, MDHHS must send the client a Verification Checklist (VCL), which tells the client what verification is required, how to

obtain it and the due date. *Id.*, pp. 3-4. For MA, MDHHS must allow the client ten calendar days to provide the verification requested. *Id.*, p. 8. If the client cannot provide the verification despite a reasonable effort, MDHHS is permitted to extend the time limit up to two times. *Id.*

Here, MDHHS testified that it required verification of Petitioner's [REDACTED] account. However, the VCLs did not specifically request verification of that account. Additionally, MDHHS testified that it extended the deadline for the verifications and Petitioner provided the verification of the account prior to the deadline. As of the date of the hearing, MDHHS testified that it had the necessary verifications, but the status of Petitioner's case was still pending.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for MA and MSP.

### **DECISION AND ORDER**

Accordingly, MDHHS' decision is **REVERSED**. MDHHS 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 MA and MSP coverage, effective September 1, 2024 ongoing;
2. Provide Petitioner with the most beneficial category of MA and MSP that she is eligible to receive, effective September 1, 2024 ongoing;
3. Redetermine Petitioner's FAP benefit rate, requesting additional verifications as necessary, effective [REDACTED] 2024 ongoing;
4. Issue supplemental payments to Petitioner for an FAP benefits that she was eligible to receive but did not, from [REDACTED], 2024 ongoing; and
5. Notify Petitioner of its decision in writing.

LJ/pt

  
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**Linda Jordan**  
Administrative Law Judge

