



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
DIRECTOR

████████████████████  
████████████████████  
██████████ MI ██████████

Date Mailed: October 15, 2024  
MOAHR Docket No.: 24-010145  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness**

**HEARING DECISION**

On August 30, 2024, Petitioner, ██████████ requested a hearing to dispute a Food Assistance Program (FAP) and Medical Assistance (MA) determination. As a result, a hearing was scheduled to be held on October 8, 2024, pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; and Mich Admin Code, R 792.11002. Petitioner appeared at the hearing and represented herself. Jennipher Wheeler, Family Independence Manager, appeared on behalf of Respondent, Department of Health and Human Services (Department).

**ISSUES**

Did the Department properly determine Petitioner’s MA eligibility beginning September 1, 2024?

Did the Department properly determine Petitioner’s FAP eligibility beginning August 1, 2024?

**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 ██████████ 2024, Petitioner applied for MA and FAP benefits.
2. Petitioner has a household size of 5.
3. On September 16, 2024, a benefit notice was issued stating that Petitioner and Petitioner’s husband were approved for Plan First beginning February 1, 2024; and Petitioner’s children were approved for MiChild beginning September 1, 2024.
4. In ██████████ 2024, Petitioner’s husband earned an average income of \$██████████ from his employment at ██████████
5. In ██████████ 2024, Petitioner received ██████████ in unemployment compensation.

6. Petitioner's monthly housing costs were \$800.00, and because Petitioner reported that Petitioner pays for heat, Petitioner received the heat/utility standard of \$680.00.
7. The September 16, 2024, benefit notice stated that Petitioner was eligible for \$0.00 in FAP benefits from August 1, 2024, through August 31, 2024; \$20.00 in FAP benefits from September 1, 2024, through September 30, 2024, and \$26.00 per month in FAP benefits beginning October 1, 2024.
8. On August 30, 2024, Petitioner requested a hearing to dispute the Department's MA and FAP eligibility determinations.

### **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).

#### Medical Assistance

The 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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Here, the Department determined that Petitioner and Petitioner's husband were eligible for Plan First and Petitioner's children were eligible for MiChild. Petitioner indicated that Petitioner was unclear as to why the Department determined that Petitioner and Petitioner's husband were only eligible for limited MA coverage.

Persons may qualify for MA under more than one category. Federal law requires them the right to the most beneficial category or the one that results in eligibility with the least amount of excess income or the lowest cost share. The Department failed to show how Petitioner's income was budgeted and meet its burden of going forward and establishing that Petitioner and Petitioner's husband were not eligible for MA under a more beneficial category such as coverage under the Health Michigan Plan or Group 2 Caretaker relatives. BEM Items 105, 135, and 137.

#### Food Assistance

The 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 Department uses countable income to determine eligibility and benefit levels. Income remaining after applying the policy in the income related items is called countable. For FAP purposes, all earned and unearned income available to an applicant or recipient is countable. The Department uses gross income when determining countable income. Gross income is the amount of income before any deductions such as taxes or garnishments, and the amount counted may be more than the client actually receives. BEM 500.

In this case, the Department determined that Petitioner is eligible for \$0.00 in FAP benefits from August 1, 2024, through August 31, 2024; \$20.00 in FAP benefits from September 1, 2024, through September 30, 2024, and \$26.00 per month from October 1, 2024, ongoing. Petitioner refuted the Department's calculation of Petitioner's FAP benefit amount specifically because the Department's determination was unclear as to how Petitioner's household income was calculated.

As to the Department's determination that Petitioner is eligible for \$0.00 in FAP benefits from August 1, 2024, through August 31, 2024, the Department added Petitioner's husband's earned income of \$[REDACTED] to Petitioner's unemployment compensation of \$[REDACTED] resulting in a total income amount of \$[REDACTED] (\$[REDACTED] + \$[REDACTED]).

Every case is allowed the standard deduction shown in RFT 255. BEM 550, p. 1. The standard income deduction for Petitioner's FAP group size of 5 was \$244.00. After subtracting that standard deduction from Petitioner's group's gross monthly income, the adjusted gross income would be \$[REDACTED] (\$[REDACTED] - \$244.00). BEM 550.

Bridges, the Department's computer information system, uses certain expenses to determine net income for FAP eligibility and benefit levels. For groups with one or more senior/disabled/disabled veteran (SDV) member, Bridges uses the following: (1) dependent care expense; (2) excess shelter; (3) court ordered child support and arrearages paid to non-household members, and (4) medical expenses for the SDV member(s) that exceed \$35.00. BEM 554, p. 1. The evidence on the record establishes that Petitioner's group did not qualify for a dependent care, medical or child support expense deduction.

Petitioner's monthly housing expense was \$800.00. Petitioner was entitled to a standard heat and utility expense of \$680.00, which resulted in a total shelter amount of \$1,480.00 (\$800.00 + \$680.00). The Department was required to deduct 50% of Petitioner's adjusted gross income (.5 x \$[REDACTED]) from the total shelter amount, which left an adjusted excess shelter amount of \$0.00 resulting in a net income amount of \$[REDACTED]. No evidence was provided by Petitioner to show that the Department's income calculation was incorrect or that the Department's determination of Petitioner's FAP benefits from August 1, 2024, through August 31, 2024, was contrary to the law and Department policy.

However, as to the Department's income calculation for Petitioner's FAP benefits beginning September 1, 2024, the Department failed to include a FAP budget beginning September 1, 2024. Because the Department submitted incomplete documentation the Department failed to show they properly calculated Petitioner's budget when making its eligibility determination for FAP benefits beginning September 1, 2024. Accordingly, the Department failed to meet its burden of going forward and establishing that it properly determined Petitioner's eligibility for FAP benefits beginning September 1, 2024.

### **DECISION AND ORDER**

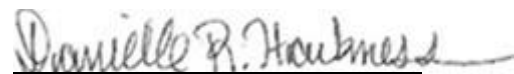
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with its policies and the applicable law when it determined Petitioner's FAP eligibility from August 1, 2024, through August 31, 2024. However, the Department did not satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for MA beginning September 1, 2024, and Petitioner's eligibility for FAP benefits beginning September 1, 2024.

IT IS ORDERED, the Department's decision is **AFFIRMED IN PART** with respect to the Department's determination that Petitioner is eligible for \$0.00 in FAP benefits from August 1, 2024, through August 31, 2024. The Department's decision is **REVERSED IN PART** with respect to the Department's determination that Petitioner and Petitioner's husband are eligible for Plan First beginning September 1, 2024, and the Department's determination that Petitioner is eligible for \$20.00 in FAP benefits from September 1, 2024, through September 30, 2024, and \$26.00 per month in FAP benefits beginning October 1, 2024.

THE DEPARTMENT IS ORDERED TO INITIATE THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE THE ORDER WAS ISSUED:

1. Re-determine Petitioner's eligibility for MA benefits beginning September 1, 2024, in accordance with Department policy.
2. Re-determine Petitioner's eligibility for FAP benefits beginning September 1, 2024, in accordance with Department policy.

DH/pt



**Danielle R. Harkness**  
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**

Jennipher Wheeler  
Muskegon County DHHS  
2700 Baker Street  
Muskegon Heights, MI 49444  
**MDHHS-Muskegon-Hearing@michigan.gov**

**Interested Parties**

BSC3  
M. Schaefer  
EQAD  
M Holden  
B Cabanaw  
N Denson-Sogbaka  
MOAHR

**Via-First Class Mail:**

**Petitioner**

██████████  
██████████  
██████████ MI ██████████