



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

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Date Mailed: November 7, 2024  
MOAHR Docket No.: 24-011435  
Agency No.: ██████████  
Petitioner: ██████████

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

**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 November 6, 2024, via teleconference. Petitioner appeared and represented herself. Petitioner's son, ██████████, appeared as a witness for Petitioner. Respondent Michigan Department of Health and Human Services (Department) had Megan Iatonna, Hearing Facilitator, appear as its representative.

A 44-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

**ISSUES**

Did the Department properly deny Petitioner's application for Food Assistance Program (FAP), Medical Assistance (MA), and State Disability Assistance (SDA) 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. On ██████████ 2024, Petitioner applied for FAP, MA, and cash assistance.
2. Petitioner has a household size of █.
3. Petitioner receives \$██████████ per month in Retirement, Survivors, and Disability Insurance (RSDI).
4. Following Petitioner's August 26, 2024, benefit application, Petitioner submitted verifications showing that Petitioner receives \$██████████ and \$██████████ from 2 pensions and \$██████████ from an annuity.

5. Petitioner pays a Part B premium of \$ [REDACTED]
6. Petitioner reported housing expenses of \$ [REDACTED]
7. On September 25, 2024, the Department mailed a notice of case action to Petitioner to notify Petitioner that Petitioner's income exceeded the gross income limit to be eligible for FAP and SDA benefits.
8. On October 9, 2024, Petitioner requested a hearing to dispute the Department's determination.

### **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).

#### **Food Assistance, SDA**

The FAP 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

The SDA program is established by the Social Welfare Act, MCL 400.1-.119b. MDHHS administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

Petitioner is disputing the Department's denial of Petitioner's FAP and SDA application. Petitioner asserts that at the time Petitioner applied for FAP and SDA benefits Petitioner did not have \$ [REDACTED] in unearned income from an annuity as the annuity had been closed as of June 2024. Therefore, the \$ [REDACTED] in unearned income from the closed annuity should not be included as countable unearned income when determining Petitioner's eligibility for FAP and SDA benefits.

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 and SDA 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.

Here, Petitioner submitted 2023 tax information indicating that Petitioner received \$ [REDACTED] per month from an annuity. No verification was received from Petitioner

showing that this annuity was closed. Therefore, the Department continued to include the \$[REDACTED] in unearned income when calculating Petitioner's countable unearned income. The record shows that the Department used the information that Petitioner reported when calculating Petitioner's countable unearned income.

In this case, Petitioner received unearned income of \$[REDACTED] per month in RSDI, \$[REDACTED] and \$[REDACTED] per month from 2 pensions, and \$[REDACTED] from an annuity. Therefore, Petitioner's unearned income is \$[REDACTED] (\$[REDACTED] + \$[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 1 was \$204.00.

Bridges, the Department's computer information system, uses certain expenses to determine net income for FAP eligibility and benefit levels. For groups with 1 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 qualified for a medical deduction of \$173.00.

After subtracting the standard deduction and medical deduction from Petitioner's gross monthly income, the adjusted gross income would be \$[REDACTED] (\$[REDACTED] - \$[REDACTED] - \$[REDACTED]). BEM 550.

Petitioner was entitled to have Petitioner's adjusted excess shelter amount from Petitioner's adjusted gross income, leaving a net income amount of \$[REDACTED] (\$[REDACTED] - \$[REDACTED]).

Petitioner has a household size of 1 so the applicable net income limit is \$1,255.00. Here, Petitioner's net income of \$[REDACTED] exceeds the applicable net income limit for FAP benefits.

As to SDA cash assistance, the applicable income limit for an individual is \$200.00. Here, Petitioner's income exceeds the \$200.00 income limit.

Based on the evidence presented, Petitioner failed to establish that the Department improperly denied Petitioner's FAP and SDA application due to excess income.

At the hearing, Petitioner testified that Petitioner no longer receives the \$[REDACTED] from Petitioner's annuity because the annuity has been closed as of June 2024. Petitioner also indicated that Petitioner has additional insurance and medical expenses that Petitioner has accrued. Petitioner is encouraged to re-apply for benefits and submit verification for all of Petitioner's expenses.

### **Medical Assistance**

The Medical Assistance (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.

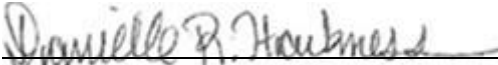
At the hearing, Petitioner indicated that Petitioner did not wish to proceed with a hearing regarding MA. Therefore, Petitioner's request for hearing concerning MA benefits is dismissed.

### **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 Department policy when it denied Petitioner's application for FAP and SDA benefits.

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

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**  
Dawn Tromontine  
Macomb County DHHS Sterling Heights Dist.  
41227 Mound Rd.  
Sterling Heights, MI 48314  
**MDHHS-Macomb-36-Hearings@michigan.gov**

**Interested Parties**

BSC4  
M Holden  
B Cabanaw  
L. Karadsheh  
N Denson-Sogbaka  
M. Schaefer  
EQAD  
MOAHR

**Via-First Class Mail:**

**Petitioner**  
[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]