



GRETCHEN WHITMER
GOVERNOR

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

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DIRECTOR

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Date Mailed: January 15, 2025
MOAHR Docket No.: 24-013716
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 January 14, 2025, via teleconference. Petitioner appeared and represented herself. ██████████ appeared as a witness for Petitioner. Rebecca Scott, Eligibility Specialist, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS’ Hearing Packet was admitted into evidence as MDHHS Exhibit A, pp. 1-35.

ISSUES

1. Did MDHHS properly determine Petitioner’s Food Assistance Program (FAP) benefit amount?
2. Did MDHHS properly terminate Petitioner’s Medicaid (MA) coverage?

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 and MA benefits.
2. On ██████████, 2024, Petitioner submitted a redetermination packet for FAP (Exhibit A, p. 6).
3. On September 4, 2024, MDHHS sent Petitioner a redetermination packet for MA (Exhibit A, p. 23). The due date for the MA redetermination was October 4, 2024 (Exhibit A, p. 25).

4. On October 30, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that she was approved for FAP at a monthly rate of \$292.00 for October 2024, and approved for FAP benefits at a monthly rate of \$48.00, effective November 1, 2024 ongoing (Exhibit A, p. 11).
5. On November 15, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice stating that Petitioner was not eligible for MA, effective December 1, 2024 ongoing (Exhibit A, p. 32).
6. On December 4, 2024, Petitioner requested a hearing (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 reduced Petitioner's FAP benefit rate because it removed a medical deduction that she was previously receiving. In October 2024, MDHHS determined that Petitioner's FAP benefit rate was \$292.00 (Exhibit A, p. 11). After removing the amount that MDHHS budgeted for the medical deduction, MDHHS determined that Petitioner was eligible for \$48.00 in FAP benefits per month, effective November 1, 2024, ongoing (Exhibit A, p. 11). Petitioner disputed the reduction in the FAP benefit rate.

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. MDHHS determined that Petitioner received \$[REDACTED] per month in countable unearned income. Petitioner did not dispute this amount. There was no evidence of any other income.

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

- Medical expenses for SDV members that exceed \$35
- Standard deduction based on group size
- Excess shelter deduction

BEM 550, p. 1; BEM 554 (July 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.

Regarding medical expenses, MDHHS budgeted a medical expense in the month of October 2024 for inpatient hospitalization/nursing care (Exhibit A, p. 22). MDHHS testified that this was a one-time expense, and thus, it was not budgeted for future months. Petitioner did not present sufficient evidence to rebut MDHHS' contention, nor did she present evidence that she submitted additional medical bills for MDHHS' consideration. Petitioner testified that she did not know that she was required to submit medical bills on an ongoing basis. Petitioner was advised at the hearing that she must submit proof of the expenses to MDHHS for them to be included in the FAP budget, pursuant to Department policy.

MDHHS budgeted the standard deduction for a household of one, which was \$204.00. RFT 255 (October 2024), p. 1. To calculate Petitioner's Adjusted Gross Income (AGI), the deductions were subtracted from the countable income of \$[REDACTED] to equal \$1,385.00.

Next, MDHHS is required to determine the excess shelter deduction. MDHHS budgeted \$600.00 for Petitioner's housing expenses, and the heat and utility standard of \$664.00. RFT 255 (October 2024), p. 1. There was no other evidence of applicable deductions. Adding the amounts together equals a total shelter amount of \$1,264.00.

To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$692.00 (dropping the cents), from Petitioner's total shelter amount of \$1,264.00 equals \$572.00. Thus, the excess shelter deduction was \$572.00. Subtracting \$572.00 from Petitioner's AGI of \$[REDACTED] equals \$813.00. A household of one with a net income of \$813.00 is entitled to receive \$48.00 per month in FAP benefits. RFT 260 (October 2024), p. 12.

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

In this case, MDHHS terminated Petitioner's MA coverage due to an alleged failure to return the redetermination packet.

MDHHS must periodically redetermine or renew an individual's eligibility for active programs. BAM 210 (January 2024), p. 1. The redetermination/renewal process includes a thorough review of all eligibility factors. *Id.* For MA, a redetermination is an eligibility review based on a reported change. *Id.* A renewal is the full review of eligibility factors completed annually. *Id.* MA benefits stop at the end of the benefit period unless a renewal is completed, and a new benefit period is certified. *Id.*, p. 4. The renewal month is 12 months from the date the most recent complete application was submitted. *Id.* A redetermination packet is considered complete when all the sections of the redetermination form, including the signature section, are completed. *Id.*, p. 12. An ex parte review is required before MA closures when there is an actual or anticipated change, unless the change would result in closure due to ineligibility for all MA. *Id.*, p. 2. When possible, an ex parte review should begin at least 90 calendar days before the anticipated change is expected to result in case closure. *Id.*

Here, MDHHS alleged that it did not receive Petitioner's MA redetermination packet by the deadline. Petitioner did not dispute this contention but testified that she spoke with two representatives from MDHHS who told her that she did not have to complete the MA redetermination because she had recently completed the FAP redetermination. MDHHS asserted that this information was inaccurate and that she was required to submit a separate redetermination for MA. The record shows that Petitioner contacted MDHHS for assistance and was given incorrect information. Therefore, MDHHS did not follow policy in assisting Petitioner with the redetermination process.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it terminated Petitioner's MA coverage.

DECISION AND ORDER

Accordingly, MDHHS decision is **AFFIRMED IN PART** with respect to FAP and **REVERSED IN PART** with respect to MA. 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, effective December 1, 2024 ongoing, requesting additional documentation from Petitioner, as necessary. This may include resending the MA redetermination packet.
2. Provide Petitioner with the most beneficial category of MA coverage that she is eligible to receive from December 1, 2024 ongoing.
3. Notify Petitioner of its decision in writing.



Linda Jordan
Administrative Law Judge

LJ/pt

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

Tracy Felder
Wayne-Southwest-DHHS
2524 Clark Street
Detroit, MI 48209

MDHHS-Wayne-41-Hearings@michigan.gov

Interested Parties

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MOAHR

Via-First Class Mail:

Petitioner

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