



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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██████████, MI ██████████

Date Mailed: January 27, 2025
MOAHR Docket No.: 24-013865
Agency No.: ██████████
Petitioner: ██████████ ██████████

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on January 21, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Danielle Moton, Assistance Payments Worker.

ISSUE

Did the Department properly deny Petitioner's ██████████ 2024 application for State Emergency Relief (SER) for energy services and mortgage assistance?

Did the Department properly deny Petitioner Food Assistance Program (FAP) benefits effective November 4, 2024 due to excess gross income?

Did the Department properly process Petitioner's ██████████ 2024 application for Medicaid (MA) coverage for her minor daughter, ██████████ (Child)?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as a material fact:

1. On ██████████ 2024, the Department received an application for MA from Petitioner for herself and Child.
2. On October 4, 2024, the Department obtained a Work Number report by Equifax that included employment and income information for Petitioner's employment with ██████████ (Emp1) and ██████████ (Emp2). (Exhibit A, pp. 29 – 32).

3. On [REDACTED] 2024, the Department received an application for FAP and SER from Petitioner for herself and Child. Petitioner reported that her sole source of income was from employment, that her employment hours had been reduced, and that she paid child support, a mortgage, heating expenses, and other utilities. (Exhibit A, pp. 7 – 15).
4. On November 8, 2024, the Department obtained a Consolidated Income Inquiry (CI) that reported Petitioner pays child support to Anthony Antonio Arnold (Payee) for Child. (Exhibit A, pp. 25 – 27).
5. On November 8, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) that denied Petitioner for FAP benefits due to excess gross income. (Exhibit A, pp. 40 – 41).
6. On November 8, 2024, the Department sent Petitioner a SER Decision Notice (SERDN) that denied Petitioner SER. The Department denied Petitioner SER Energy Services due to excess income and denied mortgage assistance because Petitioner was not facing foreclosure. (Exhibit A, pp. 44 – 45).
7. On November 18, 2024, the Department received a request for hearing from Petitioner, disputing the Department's denial of Petitioner for MA, FAP, and SER. (Exhibit A, pp. 3 – 5).
8. On December 26, 2024, the Department approved Petitioner for SER Energy Services based on a second SER application from Petitioner the Department received on December 18, 2024.
9. On January 16, 2025, the Department authorized payments for Petitioner's SER Energy Services.
10. On January 21, 2025, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner that denied Child MA for October 1, 2024 through October 31, 2024 because she was eligible in another case, approved Child for full coverage MA effective December 1, 2024 ongoing, and denied Petitioner MA effective December 1, 2024 ongoing because Petitioner was eligible in another case. (Exhibit B, pp. 1 – 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).

Petitioner requested a hearing to dispute the Department's denial of Petitioner for FAP, SER, and MA for Child. The Department denied Petitioner SER for Energy Services

due to excess income and denied mortgage assistance because Petitioner was not facing foreclosure. The Department denied Petitioner FAP due to excess gross income. The Department denied Child MA for October 1, 2024 through October 31, 2024 because she was eligible in another case and approved Child for full coverage MA effective December 1, 2024 ongoing, but did not issue a determination regarding Child's MA for November 2024.

SER

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

Petitioner requested a hearing regarding denial of a SER application she submitted to the Department on [REDACTED] 2024. After the commencement of the hearing, Petitioner testified that she reapplied for SER Energy Services and was approved, and that her mortgage foreclosure emergency was resolved with her mortgage company. Petitioner requested to withdraw her request for hearing concerning SER. The Department testified that Petitioner was approved for SER Energy Services, that it received verification of Petitioner's copayment, and authorized payments for her heat and electric on January 16, 2025.

The request for hearing was withdrawn on the record and the Department had no objection. Therefore, Petitioner's request for hearing as to SER is dismissed.

The only remaining issue to be decided is whether the Department properly determined Petitioner's eligibility for FAP and properly processed Petitioner's application for MA for Child.

FAP

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 to dispute the Department's denial of her application for FAP due to excess income. The Department denied Petitioner FAP benefits due to excess gross income because it determined Petitioner had gross income of \$[REDACTED] per month.

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income and must consider all countable earned and unearned income available to the Petitioner. BEM 500 (April 2022), pp. 1 – 5. For purposes of FAP, gross wages are counted as earned income. BEM 501

(January 2024), pp. 6 – 7. Prospective income is income not yet received, but expected, and is based on the past 30 days unless changes are expected. BEM 505 (October 2023), pp. 1, 6 – 7. For the purposes of FAP, the Department must convert income that is received more often than monthly into a standard monthly amount. The average of bi-weekly amounts is multiplied by 2.15. BEM 505, pp. 8 – 9.

In this case, Petitioner applied for FAP benefits for herself and her daughter on [REDACTED] 2024 and reported on her application that her hours of employment had decreased. At the hearing, Petitioner testified that she last worked for Emp1 in October 2024¹.

The Department introduced a net income budget at the hearing that reflected that it determined Petitioner’s countable gross earned income to be \$[REDACTED]. The Department testified that it calculated Petitioner’s income based on the following bi-weekly gross paychecks for Petitioner:

Emp1	October 11, 2024	\$311.88
	October 25, 2024	101.64
Emp2	October 11, 2024	1,633.20
	October 25, 2024	1,545.60

The Department did not clearly explain why it prospected, and included, income for Emp1 when it determined Petitioner’s countable income and when Petitioner had stopped working for Emp1 in October 2024. The net income budget also reflected that the Department incorrectly counted child support Petitioner paid as child support she received and budgeted \$87 in unearned income for Petitioner. Based on its calculations, the Department determined Petitioner had a total gross earned and unearned income of \$3,948. (Exhibit A, p. 50). Because Petitioner reported that she last worked for Emp1 in October 2024, and was a payor, not payee, of child support the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it calculated Petitioner’s income and determined Petitioner had excess gross income for FAP.

MA

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 (formerly known as the Department

¹ Although the Department introduced a copy of the interview guide (IG) during the hearing, based on Petitioner’s application and testimony during the hearing, there were multiple discrepancies between what Petitioner reported and what was noted on the IG. These discrepancies included whether Petitioner expected employment with Emp1 to continue, failure to note that Petitioner pays for heat, failure to note that Petitioner pays child support, and indicating Petitioner paid rent instead of a mortgage. (Exhibit A, pp. 18 – 24).

of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Petitioner requested a hearing to dispute the Department's denial of MA. At the hearing, Petitioner clarified that she disputes that the Department did not approve or deny Child for MA in response to Petitioner's [REDACTED] 2024 application. Child was approved for MA under a different case number for October 2024 and the Department approved Child for full coverage MA effective December 1, 2024 ongoing.

When a client submits an application for MA coverage, the Department must process the application and determine eligibility within 45 days of the application. BAM 105 (March 2024), p. 17; BAM 115, pp. 15 – 16; see also BAM 220 (November 2023), p. 6. In this case, Petitioner applied for MA coverage for herself and Child on [REDACTED] 2024. Based on the application date, the Department should have made an eligibility determination regarding Child's MA in Petitioner's case on or before November 18, 2024.

The Department testified that on October 4, 2024 it received an application for MA for Petitioner and Child and that the Department approved Petitioner for Plan First Family Planning (PFFP). Although Petitioner testified that she did not receive any HCCDN regarding approval or denial of MA for Child, the Department credibly testified that it issued a HCCDN on October 31, 2024 that denied Child MA because she was eligible for MA in another case and explained that for October 2024, Child was approved for Group 2 Under 21 (G2U) program with a monthly deductible of \$0 in a case under Payee's name. However, the Department testified that Child did not have MA under Petitioner's or Payee's case numbers in November 2024. Therefore, because the Department could not confirm that Child was approved or denied for MA under any case number for November 2024, it failed to meet its burden that it acted in accordance with policy when Petitioner applied for MA for Child on [REDACTED] 2024.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it calculated Petitioner's income and determined she had excess gross income for FAP, and when it was unable to confirm whether Child was approved or denied for MA for November 2024 under any case number.

DECISION AND ORDER

Accordingly, Petitioner's request for hearing as to her [REDACTED] 2024 SER application is **DISMISSED**, and the Department's decision is **REVERSED** with respect to FAP and MA.

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 effective November 4, 2024 ongoing;
2. If Petitioner is eligible for any supplemental FAP benefits, issue supplemental payments to Petitioner for any FAP benefits she was eligible to receive but did not, from November 4, 2024 ongoing;
3. Determine Child's eligibility for MA for November 2024;
4. If eligible, provide Child with the most beneficial MA coverage she is eligible to receive for November 2024; and
5. Notify Petitioner of its decision in writing.

CML/nr



Caralyce M. Lassner
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 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
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MOAHR

Via-First Class Mail :

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