



Date Mailed: March 20, 2025

Docket No.: 25-007029

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

This is an important legal document. Please have someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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; 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 via telephone conference on March 13, 2025, with the parties appearing at a Michigan Department of Health and Human Services (MDHHS or Department) local office. Petitioner was unrepresented. The Department was represented by Jamila Goods, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's monthly Food Assistance Program (FAP) benefits?

Did the Department properly determine Petitioner's Medicaid (MA) eligibility for Group 2 SSI-related (G2S) coverage with a monthly deductible?

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 is an ongoing recipient of FAP for her one-person FAP group and MA.
2. Petitioner is [REDACTED] years old and unmarried, and she lives [REDACTED] County.

25-007029

3. Beginning January 2025, Petitioner receives monthly Retirement Survivors Disability Insurance (RSDI) income totaling [REDACTED] and monthly child support totaling [REDACTED]
4. The State pays Petitioner's Part B Medicare premiums.
5. Effective February 1, 2025, Petitioner was approved for \$23 in monthly FAP benefits. (Exhibit A, pp. 13-15)
6. Effective April 1, 2025, Petitioner was approved for MA under the G2S program with a monthly \$1,175 deductible. (Exhibit A, p. 17)
7. On February 7, 2025, the Department received Petitioner's request for hearing disputing the Department's actions concerning her FAP and MA cases.

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 determination that she was eligible for monthly FAP of \$23 and MA coverage under the G2S program with a monthly deductible.

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.

The Department testified that Petitioner was eligible for monthly FAP benefits of \$23 for April 2025 ongoing and presented a FAP budget showing its calculation of her benefits. (Exhibit A, pp. 13-15) The budget showed unearned income totaling [REDACTED] which the Department testified was the total of Petitioner's monthly [REDACTED] RSDI benefits and [REDACTED] child support income. The Department counts the gross RSDI benefit amount and court-ordered child support an individual receives directly from the absent parent as unearned income. BEM 503 (January 2025), pp. 9, 30. Petitioner did not dispute her monthly income. Therefore, the Department properly calculated Petitioner's gross monthly income.

Gross income is reduced by allowable deductions. Petitioner, who is over age 60 and receiving RSDI based on a disability, is a senior/disabled/veteran (SDV) member of her

FAP group. See BEM 550 (October 2024), pp. 1-2. For FAP groups with one or more SDV members and unearned income only, the Department must reduce the household's gross monthly unearned income by the following deductions: the standard deduction (based on group size); child care expenses; child support expenses; if the SDV member incurs out-of-pocket medical expenses exceeding \$35 but less than \$200, a medical expense deduction of \$165 or verified out-of-pocket medical expenses exceeding \$200 less \$35; and the excess shelter deduction. BEM 554 (January 2025) p. 1; BEM 556 (October 2024), pp. 3-5.

Petitioner, as a single-person FAP group, was eligible for a \$204 standard deduction to gross income, as shown on the budget. RFT 255 (October 2024), p. 1. There was no evidence that Petitioner had child care expenses or child support expenses. The Department explained that the State paid Petitioner's Medicare Part B premium and Petitioner had not reported any other medical expenses. Therefore, Petitioner was not eligible for deductions for child care, child support, or medical expenses. Based on Petitioner's available deductions (excluding the excess shelter deduction), Petitioner has an adjusted gross income (AGI) of [REDACTED], the difference between her household's gross income of [REDACTED] and the \$204 standard deduction. BEM 556, p. 4.

The final deduction applicable to the calculation of Petitioner's net income for FAP purposes, the excess shelter deduction, first considers Petitioner's monthly housing expense and the utility standards applicable to Petitioner's case based on the utilities she is obligated to pay. This sum is reduced by 50% of her AGI to arrive at her excess shelter deduction. BEM 556, pp. 4-5; BEM 554, pp. 13-24.

The excess shelter budget showed that in determining Petitioner's monthly housing expenses, the Department applied the \$664 heat and utility (h/u) standard, which covers all heat and utility costs and is the maximum total utility and most beneficial standard available to a client. See BEM 554, pp. 16-21; RFT 255 (October 2024), p. 1. There were no shelter expenses on the budget. Although Petitioner testified that she paid \$350 in monthly rent to her sister, the Department reviewed Petitioner's file and found no evidence that she had reported such an expense. Petitioner did not clearly testify that she had reported this expense and failed to refute the Department's testimony that no rent had been reported. Because the Department was not aware of Petitioner's monthly rent at the time it prepared the budget, it properly considered only the \$664 h/u standard in determining Petitioner's monthly shelter expenses. Because this is less than 50% of Petitioner's [REDACTED] AGI (or [REDACTED]), Petitioner, consistent with the Department's calculation, is not eligible for an excess shelter deduction. Petitioner was advised to report her monthly rent to the Department to have the expense potentially affect future FAP budgets.

Because Petitioner has no excess shelter deduction, her AGI of [REDACTED] is also her net income. Based on net income of [REDACTED] and a FAP group size of one, Petitioner was eligible for monthly FAP benefits totaling \$23. RFT 260 (October 2024), p. 19. This is consistent with the Department's calculation. Therefore, the Department acted in accordance with Department policy when it calculated Petitioner's FAP benefits.

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

The Department testified that starting April 2025 Petitioner was approved for MA coverage under the Group 2 SSI-related (G2S) program with a monthly deductible of \$1,175.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. Individuals may also qualify for limited MA coverage under the Plan First Family Planning (PFFP) program. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

Because Petitioner is a Medicare recipient and is not the parent or caretaker of a minor child, Petitioner is eligible for MA under an SSI-related category only. In determining the SSI-related MA category Petitioner is eligible for, MDHHS must determine Petitioner's MA fiscal group size and net income and her employment status. As an unmarried individual, Petitioner has fiscal group size for SSI-related MA purposes of one. BEM 211 (October 2023), p. 8. Petitioner is not employed, and her only income is monthly unearned RSDI income totaling [REDACTED] and [REDACTED] in child support for total monthly income of [REDACTED]. To determine net income, Petitioner's gross income of [REDACTED] was reduced by a \$20 disregard, which is the only deduction available to Petitioner under policy where Petitioner did not receive earnings, was not responsible for court-ordered child support, did not incur blind- or impairment-related work expenses, was not the caretaker of a minor child, and did not have guardianship or conservator expenses. BEM 541 (January 2024), pp. 1-3. This results in net income of [REDACTED] for MA purposes.

Based on this net income, Petitioner has excess income for eligibility under the AD-Care program, the full-coverage SSI-related MA program, which as of April 2025 has an income limit of [REDACTED] for a single-person MA group. BEM 163 (July 2017), p. 2; RFT 242 (April 2025), p. 1; <https://aspe.hhs.gov/poverty-guidelines>.

However, disabled individuals who are not eligible for full-coverage MA coverage because of excess income and who are not employed may still be eligible for SSI-related MA under a G2S program, which provides for MA coverage with a monthly deductible. BEM 105, p. 1. The deductible is in the amount that a client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income levels (PIL). The PIL is a set amount for non-medical need items such as shelter, food and incidental expenses. The PIL is identified in policy based on the client's MA fiscal group size and county of residence. BEM 105, p. 1; BEM 166 (April 2017), pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (April 2017), p. 2. The monthly PIL for a client in Petitioner's position, with an MA fiscal group size of one living in ██████ County, is ██████ per month. RFT 200, p. 2; RFT 240, p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) exceeds ██████, Petitioner is eligible for MA assistance under the deductible program, with the deductible equal to the amount that monthly net income, less allowable deductions, exceeds ██████. BEM 545 (July 2022), pp. 2-3.

The Department presented an SSI-related MA budget showing the calculation of Petitioner's deductible that was reviewed with Petitioner on the record. Petitioner's monthly income of ██████ as of April 2025 reduced by a \$20 disregard results in ██████ in monthly net income for MA purposes. In determining the monthly deductible, net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544, pp. 1-3. In this case, Petitioner does not reside in an adult foster care home or home for the aged and, as such, is not eligible for any remedial service allowances. Petitioner acknowledged that the State paid her Part B Medicare premium and she paid no other health insurance premiums. Therefore, Petitioner had no allowable needs deductions to her net income. Petitioner's net income of ██████ reduced by the ██████ PIL results in a deductible of \$1,175, consistent with the Department's testimony. Thus, the Department properly determined Petitioner's eligibility for SSI-related MA with a monthly deductible.

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 calculated Petitioner's FAP benefits for February 2025 ongoing and her MA eligibility under the G2S program subject to a monthly \$1,175 deductible for April 2025 ongoing.

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

ZB/ml



NULL
Administrative Law Judge

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail:

Respondent

WAYNE-INKSTER-DHHS
26355 MICHIGAN AVE
INKSTER, MI 48141

MDHHS-WAYNE-19-HEARINGS@MICHIGAN.GOV

Interested Parties

BSC4
M HOLDEN
B CABANAW
M SCHAEFER
EQAD
MOAHR

Via First Class Mail:

Petitioner

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]