



Date Mailed: April 8, 2025

Docket No.: 25-010130

Case No.: [REDACTED]

Petitioner: [REDACTED]

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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.

[REDACTED]

HEARING DECISION

On March 12, 2025, Petitioner [REDACTED] requested a hearing to dispute public assistance benefits. As a result, a hearing was scheduled to be held on April 2, 2025. Public assistance hearings are held 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; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. Respondent Michigan Department of Health and Human Services (Department) had Hearing Facilitator Melissa Stanley appear as its representative. Neither party had any additional witnesses.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 52-page packet of documents provided by the Department was admitted into evidence collectively as Exhibit A.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount?

Did the Department properly determine Petitioner's Medicaid eligibility?

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 a resident of Saginaw County.
2. Petitioner is a senior or disabled individual.
3. Petitioner is not married.
4. Petitioner receives a gross benefit of \$██████████ per month from Social Security RSDI.
5. Petitioner pays a housing cost of \$██████████ per month.
6. Petitioner is responsible for paying for heating/cooling utilities for her home.
7. Petitioner pays an internet expense.
8. Petitioner has Medicare Part B insurance.
9. On March █████ 2025, Petitioner applied for State Emergency Relief (SER) from the Department. The Department processed Petitioner's application and determined that Petitioner had unreported unearned income from unemployment compensation benefits. The Department determined that Petitioner was receiving \$██████████ biweekly from unemployment compensation benefits.
10. The Department reviewed Petitioner's case and redetermined her FAP benefit amount and her Medicaid eligibility.
11. On March █████ 2025, the Department mailed a notice of case action to Petitioner to notify her that her FAP benefit was going to decrease to \$██████████ per month, effective April 1, 2025. The Department included a budget that showed the information the Department used to determine Petitioner's FAP benefit amount. The budget showed that the Department used the following information:
 - a. Group size of one.
 - b. \$██████████ per month for unearned income.
 - c. \$██████████ per month for housing costs.
 - d. \$204.00 per month for a standard deduction.
 - e. \$664.00 per month for a heat/utility standard.
 - f. \$██████████ per month for an internet deduction.

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12. On March [REDACTED] 2025, the Department mailed a health care coverage determination notice to Petitioner to notify her that she was eligible for Medicaid with a \$ [REDACTED] monthly deductible, effective April 1, 2025. The notice also notified Petitioner that she was ineligible for Medicare Savings Program (MSP) coverage, effective April 1, 2025.
 13. The Department determined Petitioner's deductible amount based on the following information:
 - a. \$ [REDACTED] per month for unearned income.
 - b. \$20.00 per month for an unearned income exclusion.
 - c. \$391.00 per month for a protected income limit.
 14. Petitioner requested a hearing to dispute her FAP benefit amount and her Medicaid eligibility.

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

The Food Assistance Program (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.

In this case, the Department decreased Petitioner's FAP benefit to \$ [REDACTED] per month after Petitioner provided the Department with information about her unemployment compensation benefits. The issue is whether the Department properly determined Petitioner's FAP benefit amount when it determined that Petitioner was eligible for a maximum FAP benefit of \$ [REDACTED] per month.

Petitioner's household income consisted of Petitioner's Social Security RSDI benefit and Petitioner's unemployment compensation benefits. Petitioner received \$ [REDACTED] monthly from her Social Security RSDI benefit, and Petitioner received \$ [REDACTED] biweekly from her unemployment compensation benefits. The Department must convert income to standard monthly amount. BEM 505 (October 1, 2023), pp. 8-9. Petitioner's income from Social Security RSDI did not have to be converted because it was received monthly, but Petitioner's income from her unemployment compensation benefits had to be

converted to a standard monthly amount because it was received biweekly. When income is received biweekly, the Department must multiply gross pay by 2.15 to calculate a standard monthly amount. *Id.* Petitioner's biweekly unemployment compensation benefit of \$[REDACTED] multiplied by 2.15 equals \$[REDACTED]. Thus, the standard monthly amount of Petitioner's income from unemployment compensation benefits was \$[REDACTED]. Therefore, Petitioner's total monthly income was \$[REDACTED].

There is a net income limit to be eligible for FAP benefits that applies to all households. 7 CFR 273.10(e)(2)(B). Net income is gross income minus allowable deductions. 7 CFR 273.10(e)(1)(i). Petitioner was eligible for a standard deduction of \$204.00 and an excess shelter deduction of \$533.00. These were the maximum deductions that Petitioner was eligible for in accordance with policy. Thus, Petitioner was eligible for deductions totaling \$[REDACTED]. Petitioner's gross income of \$[REDACTED] minus her total deductions of \$[REDACTED] equals her net income of \$[REDACTED]. The net income limit for a household size of one was \$1,255.00 per month. RFT 250. Petitioner's net income did not exceed the net income limit to be eligible for FAP benefits.

The Department determines a client's monthly FAP benefit amount by determining the client's group size and net household income, and then looking that information up in its applicable Food Issuance Table. BEM 212 (October 1, 2024), BEM 213 (October 1, 2024), BEM 550 (October 1, 2024), BEM 554 (October 1, 2024), BEM 556 (October 1, 2024), RFT 255 (October 1, 2024), and RFT 260 (October 1, 2024). Based on Petitioner's group size of one and her net income of \$[REDACTED] the maximum FAP benefit that Petitioner was eligible for was \$23.00. Thus, the Department properly determined Petitioner's FAP benefit amount when the Department determined that Petitioner was eligible for a FAP benefit amount of \$23.00 per month.

Petitioner will be eligible for an additional medical deduction once she has to start paying her Medicare Part B premium. This medical deduction will likely increase Petitioner's FAP benefit amount.

MEDICAID

Medicaid is known as Medical Assistance (MA). 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.

Full-coverage Medicaid is available to eligible individuals through the AD Care program. In order for a client to be eligible for full-coverage Medicaid through the AD Care program, the client must be aged or disabled, and the client's group's net income must not exceed 100% of the Federal Poverty Level (FPL). BEM 163 (July 1, 2017), pp. 1-2. For AD Care, the client's group size consists of the client and the client's spouse. BEM 211 (October 1, 2023), p. 8. In this case, Petitioner's group size consists of one because Petitioner

25-010130

does not have a spouse. The FPL for a group size of one in 2025 is \$15,060.00. 90 FR 5917 (January 17, 2025). The applicable FPL is equal to a monthly income of \$1,255.00.

When group members receive income from Social Security RSDI, the gross amount received from RSDI is countable. BEM 163 at 2. However, \$20.00 is disregarded from unearned income such as Social Security RSDI income. BEM 541 (January 1, 2024), p. 1. In this case, Petitioner received \$ [REDACTED] per month from Social Security RSDI. After the \$20.00 disregard, the countable amount of her Social Security RSDI was \$ [REDACTED] per month. Petitioner's countable Social Security RSDI was not over the income limit for full-coverage Medicaid through the AD Care program, but Petitioner also received income from unemployment compensation benefits. Petitioner received \$ [REDACTED] biweekly from unemployment compensation benefits. The Department determined that Petitioner's monthly income from her unemployment compensation benefits was \$ [REDACTED]

Petitioner's monthly income from her unemployment compensation benefits of \$ [REDACTED] differs from Petitioner's monthly income from her unemployment compensation benefits that was used to determine Petitioner's FAP benefit amount because the policy for Medicaid states that eligibility is determined on a monthly basis based on circumstances that existed during the calendar month being tested. BEM 105 (January 1, 2024), p. 2. Thus, for Medicaid eligibility, the Department properly determined that Petitioner's income from unemployment compensation benefits was equal to the two biweekly payments she received in the calendar month tested. Therefore, the Department properly determined that Petitioner's monthly income from her unemployment compensation benefits was \$ [REDACTED] for purposes of determining Petitioner's Medicaid eligibility.

Petitioner's countable income from Social Security RSDI plus her income from unemployment compensation benefits equals \$ [REDACTED]. Petitioner's total income exceeded the \$1,255.00 income limit to be eligible for full-coverage Medicaid through the AD Care program. Thus, the Department properly determined that Petitioner was ineligible for full-coverage Medicaid through the AD Care program.

Since the Department determined that Petitioner was ineligible for full-coverage Medicaid through the AD Care program, the Department properly determined that the best Medicaid coverage that she was eligible for was Medicaid with a monthly deductible. Medicaid with a monthly deductible is known as Group 2 Medicaid. Group 2 Medicaid is available to clients who are aged or disabled and ineligible for full-coverage Medicaid through the AD Care program. BEM 166 (April 1, 2017), p. 1. Group 2 Medicaid eligibility is determined on a monthly basis. In general, Group 2 Medicaid provides coverage from the date a client met her deductible through the end of the month.

A client's deductible is determined by calculating the client's net income and then subtracting the client's needs as defined by BEM 544. *Id.* at 2. Thus, the first step is determining a client's net income. A client's net income is a client's countable income as defined by policy. BEM 530 (April 1, 2020), p. 2. In this case, Petitioner's countable income is \$ [REDACTED] as discussed above.

The next step is determining a client's needs as defined by BEM 544. A client's needs as defined by BEM 544 consists of: (1) a protected income level set by policy, (2) the cost of health insurance premiums, and (3) the cost of remedial services. BEM 544 (January 1, 2020), pp. 1-2. The applicable protected income limit for Saginaw County is only \$391.00 per month for a single individual. RFT 200 (April 1, 2017) and RFT 240 (December 1, 2013). Petitioner did not pay any health insurance premiums or costs of remedial care, so Petitioner's needs are limited to the \$391.00 protected income limit.

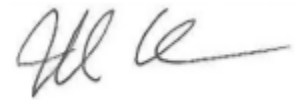
The Department properly determined Petitioner's deductible when the Department determined that Petitioner's monthly deductible was \$[REDACTED]. Petitioner's net income was \$[REDACTED] and her needs as defined by BEM 544 were \$391.00. Petitioner's net income of \$[REDACTED] minus her needs of \$391.00 equals her monthly deductible of \$[REDACTED].

Petitioner will be eligible for a deduction for the cost of health insurance premiums once she has to start paying her Medicare Part B premium. This deduction will likely decrease Petitioner's monthly deductible. Petitioner will have to start paying her Medicare Part B premium because Petitioner is over the income limit to be eligible for Medicare Savings Program (MSP) coverage. The income limit is 135% of the Federal Poverty Level, which equals \$1,761.00 per month for a single individual. RFT 242 (April 1, 2025).

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 benefit amount and when it determined Petitioner's Medicaid eligibility.

IT IS ORDERED that the Department's decision is **AFFIRMED**.



JEFFREY KEMM
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:

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Via First Class Mail:

Petitioner

