



Date Mailed: October 16, 2025
Docket No.: 25-028072
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

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

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Date Mailed: October 16, 2025

Docket No.: 25-028072

Case No.: [REDACTED]

Petitioner: [REDACTED]

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 by telephone commenced on October 6, 2025, and was completed on October 13, 2025. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Caitlin Dodge, Family Independence Manager.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount effective August 1, 2025 ongoing?

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 [REDACTED] year old, single, Medicare recipient. (Exhibit A, pp. 7, 15 – 16).
2. Petitioner was an ongoing recipient of FAP benefits. Petitioner's FAP benefits were based in part on a housing expense of \$1,588.21 and a medical deduction of \$426.
3. On July 9, 2025, the Department received a completed FAP redetermination application from Petitioner for his one-person FAP group. Petitioner reported that his income was from Retirement, Survivors, and Disability Insurance (RSDI) and veteran's compensation (VA benefits). Petitioner also reported that:
 - a. His expense for medicines remained the same,
 - b. He had medical co-pays, and
 - c. His property taxes had increased by \$104.53.

(Exhibit A, pp. 6 – 13).

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4. On July 9, 2025, the Department also received verification of Petitioner's:
 - a. Gross RSDI income of \$[REDACTED] per month,
 - b. Medicare Part B expense of \$185 per month,
 - c. Health Alliance Plan (HAP) premium of \$182 per month,
 - d. Mortgage payment of \$1,110.74 per month,
 - e. 2025 summer property tax statement in the amount of \$2,967.06, and
 - f. Annual homeowner's insurance annual premium of \$606.02.

(Exhibit A, pp. 21, 23 – 26).

5. On July 10, 2025, the Department interviewed Petitioner. Petitioner confirmed that he receives RSDI income and VA benefits, has Medicare, and has shelter expenses. (Exhibit A, pp. 14 – 20).
6. On July 10, 2025, the Department sent Petitioner a Verification Checklist (VCL) that requested verification of his VA benefits.
7. On July 21, 2025, the Department received verification of Petitioner's VA benefits of \$[REDACTED] per month. (Exhibit A, p. 22).
8. On July 23, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that approved Petitioner for \$153 per month in FAP benefits, effective August 1, 2025, for his one-person FAP group based on:
 - a. \$[REDACTED] in unearned income,
 - b. \$385 in medical expenses,
 - c. \$1,449.94 in housing costs, and
 - d. \$17 withheld due to administrative recoupment (AR) of a FAP overpayment (OP),

among other things. (Exhibit A, pp. 27 – 28).

9. On July 31, 2025, the Department received a request for hearing from Petitioner, disputing the amount of his monthly FAP benefit. (Exhibit A, pp. 3 – 5).
10. On August 8, 2025, the Department sent Petitioner a NOCA that decreased Petitioner's FAP benefits to \$131 per month, effective September 1, 2025, based on:

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- a. \$ [REDACTED] in unearned income,
- b. \$332 in medical expenses,
- c. \$1,454.01 in housing costs, and
- d. \$14 withheld due to AR of a FAP overpayment (OP),

among other things. (Exhibit A, pp. 39 – 40).

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) [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 amount of his monthly FAP benefit. The Department approved Petitioner for \$153 per month in FAP benefits effective August 1, 2025. The Department subsequently decreased Petitioner's FAP benefits to \$131 per month effective September 1, 2025, based on adjustments it made to Petitioner's net income budget.

To determine whether the Department properly calculated Petitioner's FAP benefit amount, the Department begins with the client's countable earned and unearned income. BEM 500 (April 2022), pp. 1 – 5. For purposes of FAP, the gross amounts of RSDI income and VA benefits are countable unearned income. BEM 503 (July 2025), pp. 30 – 31, 40 – 42.

In this case, the Department and Petitioner agreed that Petitioner's total monthly income was from RSDI and VA benefits, and there was no dispute that the Petitioner's total gross income from those sources was \$ [REDACTED]. Although the Department did not clearly explain why it budgeted less for Petitioner's income on the July 23, 2025 NOCA, because the budgeted amount was less than his actual income, it was more beneficial to Petitioner and will stand.

After countable income is calculated, the Department must determine which deductions are available to Petitioner. Because Petitioner is over the age of [REDACTED] and disabled, he is

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considered a senior/disabled/veteran (SDV) household. BEM 550 (April 2025), pp. 1 – 2. Households with SDV members with unearned income may be eligible for the following deductions only:

- Standard deduction based on group size.
- Dependent care expense.
- Medical expense deduction for medical expenses of the SDV member in excess of \$35.
- Court ordered child support and arrearages paid to non-household members.
- Excess shelter deduction.

BEM 554 (August 2025) p. 1; BEM 556 (October 2024) pp. 3 – 6.

The Department introduced a budget to show how it determined Petitioner's FAP benefit amount. (Exhibit A, pp. 34 – 35). There was no dispute that Petitioner was entitled to a standard deduction and a medical expense deduction; and had no dependent care expenses or child support obligations. The evidence established that the Department properly deducted \$204 from Petitioner's income as a standard deduction for his one-person FAP group. RFT 255 (October 2024). However, although the evidence established that the Department also deducted medical expenses from Petitioner's income, he disputed the accuracy of the amount.

The medical expense deduction for SDV clients is based on a) verified allowable medical expenses, b) available information about the client's medical condition and health insurance, and c) reasonably anticipated changes. BEM 554, pp. 9 – 10. SDV clients who have one-time or ongoing medical expenses of more than \$35 receive a standard medical deduction (SMD) of \$165. However, if the client has actual medical expenses which are more than the SMD, the client has the option of verifying their actual expenses instead of receiving the SMD. BEM 554, pp. 10, 13 – 14. To obtain verification, the Department must tell the client what verification is required, how to obtain it, and the due date. BAM 130 (May 2024), p. 3; see also BAM 210 (July 2025), p. 17. For FAP redetermination applications, clients have until the last day of the redetermination month or 10 days, whichever is later, to provide verification. BAM 130, pp. 7 – 8, BAM 210, p. 17.

Here, the Department testified that prior to Petitioner's redetermination, it had budgeted \$426 for Petitioner's medical deduction. The evidence established that Petitioner reported on his redetermination application that his cost for medication remained the same and that he had at least one copay of \$175.12 for a medical treatment or procedure; and that Petitioner provided verification of his Medicare Part B and other health insurance premiums with the application. However, there was no evidence that the Department asked Petitioner about his medication costs or copays when it interviewed him (Exhibit A, p. 19); and the Department testified that although it did send Petitioner a VCL for verification of his VA benefits, it did not request verification of his

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reported medical expenses and was unable to clearly explain why it did not. Therefore, the Department failed to establish that it properly budgeted Petitioner's medical expenses.

Calculation of the excess shelter deduction, if any, depends on Petitioner's adjusted gross income (AGI), which is determined by subtracting the allowable deductions outlined above from Petitioner's countable income. Because the Department did not establish that it properly budgeted Petitioner's medical expenses, it could not establish that it properly calculated Petitioner's AGI or excess shelter deduction.

Therefore, because Petitioner's net income is determined based on the allowable deductions outlined above and the excess shelter deduction, if any, the Department could not establish that it properly determined Petitioner's FAP benefit amount effective August 1, 2025 ongoing. Additionally, there was no evidence or testimony that Petitioner's income or expenses changed between his July 9, 2025 redetermination application and the second NOCA dated August 8, 2025. Therefore, the Department failed to establish that it properly determined Petitioner's FAP benefit amount effective September 1, 2025.

It is noted that although Petitioner also disputed the Department's calculation of his housing expense, there was no dispute that Petitioner provided verification of his current mortgage, homeowner's insurance premium, and summer property taxes; and had previously provided verification of his most recent winter property taxes to the Department. The Department credibly testified that it included Petitioner's current mortgage payment, 1/12th of his annual homeowner's insurance premium, and 1/12th of his current annual property taxes when it calculated his housing expense. Thus, there was no evidence that the Department did not properly calculate Petitioner's housing expense.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's FAP benefit amount effective August 1, 2025 ongoing.

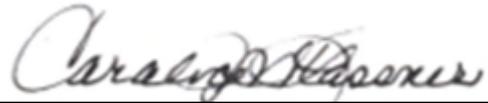
Accordingly, the Department's decision is **REVERSED**.

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 FAP benefit eligibility effective August 1, 2025 ongoing, requesting verification of Petitioner's medical expenses if necessary;

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2. If Petitioner is eligible for additional FAP benefits, issue supplemental payments to Petitioner for any FAP benefits he was eligible to receive but did not, from August 1, 2025 ongoing; and
 3. Notify Petitioner of its decision in writing.



CARALYCE M. LASSNER
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.

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Via Electronic Mail:

Respondent

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Via First Class Mail:

Petitioner

[REDACTED]
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