



**Date Mailed:** September 11, 2025  
**Docket No.:** 25-029540  
**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.

**Date Mailed:** September 11, 2025

**Docket No.:** 25-029540

**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 telephone hearing was held on September 10, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (MDHHS) was represented by Marcella Towns, Hearings Facilitator.

### **ISSUES**

Did MDHHS properly calculate Petitioner's Food Assistance Program (FAP) household budget to determine her monthly benefit amount?

Did MDHHS properly determine Petitioner's MA coverage and calculate Petitioner's MA deductible/spenddown amount?

### **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 benefits for a group size of two, consisting of her [REDACTED]-year-old daughter and herself. Petitioner is a [REDACTED] (over [REDACTED] years old), disabled or disabled veteran (S/D/V) individual.
2. Petitioner is an ongoing MA recipient.
3. Petitioner is a Medicare recipient.
4. Petitioner receives \$ [REDACTED] per month in Retirement, Survivors, Disability Insurance (RSDI).
5. On June 20, 2025, MDHHS issued a Notice of Case Action to Petitioner informing her that she was eligible for FAP benefits in the amount of \$23.00 monthly for a group size of two, effective August 1, 2025 (Exhibit A, pp. 6-12).
6. Effective July 1, 2025, MDHHS determined Petitioner was eligible for MA coverage under SSI-related Group 2 (G2S) MA category with a \$1,698.00 deductible.

- 
7. On August 8, 2025, MDHHS received a timely submitted request for a hearing from Petitioner disputing the monthly amount of FAP benefits she received for August 2025 and disputing her MA coverage (Exhibit A, pp. 3-5).
- 

### **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 Program (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.

In this case, Petitioner requested a hearing to dispute the determination of her monthly FAP amount for August 2025 for \$23.00. Effective September 2025, Petitioner is approved to receive \$349.00 and effective October 2025, Petitioner is approved to receive \$352.00 in monthly FAP benefits. .

FAP benefit amounts are determined by a client's net income. BEM 556 outlines the factors and calculations required to determine a client's net income. FAP net income factors group size, countable monthly income, and relevant monthly expenses. MDHHS presented budget documents listing the calculations to determine Petitioner's FAP eligibility (see Exhibit A, p. 7; pp. 16-17). During the hearing, all relevant budget factors were discussed with Petitioner.

All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits. BEM 500 (April 2022), pp. 1-5. Petitioner and her daughter receive RSDI. RSDI is a federal benefit administered by the Social Security Administration (SSA) that is available to retired and disabled individuals, their dependents, and survivors of deceased workers. MDHHS counts the gross benefit amount of RSDI as unearned income. BEM 503 (October 2022), p. 29. MDHHS testified that they relied upon Petitioner's receipt of \$ [REDACTED] in gross monthly RSDI and her daughter receives \$ [REDACTED] in gross monthly RSDI. This amount totals \$ [REDACTED]. However, MDHHS relied upon \$ [REDACTED] in monthly unearned income. MDHHS did not have an explanation for this discrepancy. Additionally, Petitioner testified that her daughter's RSDI ended, and she reported that to MDHHS. As MDHHS did not properly budget Petitioner's unearned income amount, MDHHS did not act in accordance with policy in calculating Petitioner's monthly FAP benefit amount.

25-029540

---

Additionally, a S/D/V group that has a verified one-time or ongoing medical expense(s) of more than \$35.00 for a S/D/V person(s) will receive the Standard Medical Deduction (SMD). The SMD is \$165.00. If the group has actual medical expenses which are more than the SMD, they have the option to verify their actual expenses instead of receiving the SMD. BEM 554, p. 9. Petitioner submitted that she pays \$182.00 each month for her Medicare Part B Premium. This totals more than the SMD of \$165. Therefore, MDHHS did not act in accordance with policy in only crediting Petitioner with the SMD rather than actual medical expenses.

### **Medical Assistance (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.

Upon reviewing Petitioner's eligibility criteria, MDHHS concluded that Petitioner is eligible for G2S MA with a \$1,698.00 deductible, effective July 1, 2025. Petitioner disputes this change to her MA coverage.

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. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1. If an individual is unable to receive MA under an SSI-related category, because no individual is aged (65 or older), blind, disabled, or entitled to Medicare or formerly blind or disabled, then MDHHS must review the household's eligibility based on Modified Adjusted Gross Income (MAGI) methodology for MA coverage under the MAGI categories: children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and HMP. 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.

As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care. AD-Care is an SSI-related full-coverage MA program. BEM 163 (July 2017), p. 1. Petitioner receives \$ [REDACTED] per month in RSDI benefits. Petitioner has no other household income. As Petitioner is not married, per policy, Petitioner's fiscal group size for SSI-related MA benefits is one. BEM 211 (July 2019), p. 8. MDHHS gives AD-Care budget credits for employment income, and guardianship and/or conservator expenses. Petitioner did not submit that any such factors were

25-029540

---

applicable. Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163, p. 2. The income limit for AD-Care for a one-person MA group is \$1,325.00. RFT 242 (April 2025), p. 1. Because Petitioner's monthly household income exceeds \$1,325.00, MDHHS properly determined Petitioner to be ineligible for MA benefits under AD-Care.

Petitioner may still receive MA benefits subject to a monthly deductible through a Group 2 Medicaid category. Petitioner is not the caretaker of any minor children, and therefore, does not qualify for MA through the Group 2-Caretaker MA program. Petitioner may still receive MA benefits subject to a monthly deductible through the G2S program. G2S is an SSI-related MA category. BEM 166 (April 2017), p.1. As discussed, Petitioner's SSI-related MA group size is one. Petitioner's net income is \$1,352.00 (gross income reduced by a \$20 disregard). BEM 541 (January 2023), p. 3. The deductible is in the amount that the client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income levels (PIL); the PIL is based on the client's MA fiscal group size and the county in which she resides. BEM 105, p. 1; BEM 166, 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 Petitioner, with an MA fiscal group size of one living in Wayne County, is \$375 per month. RFT 200, p. 3; RFT 240, p 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of \$375, then she is eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly net income, less allowable deductions, exceeds \$375.00. BEM 545 (July 2022), pp. 2-3.

In determining the monthly deductible, net income is reduced by health insurance premiums paid by the MA group, ongoing medical expenses, guardianship or conservatorship expenses, and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544, pp. 1-3; BEM 545, pp. 1-8. MDHHS did not present documentation, but testified as to the calculation of Petitioner's deductible amount. In this case, there was no evidence that Petitioner resides in an adult foster care home or home for the aged or paid for guardianship or conservatorship expenses. Therefore, MDHHS properly excluded these allowances. Petitioner pays for her Medicare insurance premium out of pocket. Therefore, MDHHS properly calculated Petitioner's insurance premium to be \$182.00. Petitioner did not submit ongoing medical expenses for consideration to MDHHS. Petitioner was advised to submit all ongoing medical expenses in the future. Petitioner's net income of \$ [REDACTED] (\$ [REDACTED] in income - \$20 disregard - \$182.00) reduced by the \$375.00 PIL is \$ [REDACTED]. It is unclear how MDHHS calculated Petitioner's deductible amount. Without a budget to review, MDHHS has failed to satisfy its burden that it acted in accordance with policy in calculating Petitioner's deductible amount.

\_\_\_\_\_  
\_\_\_\_\_

**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 did not act in accordance with Department policy when it calculated Petitioner's household budget to determine her eligibility to receive \$23.00 in monthly FAP benefits for August 2025, and failed to satisfy its burden that it acted in accordance with policy in calculating Petitioner's deductible amount.

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. Recalculate the FAP budget for August 1, 2025 ongoing, in accordance with Department policy and consistent with this Hearing Decision;
2. If Petitioner is eligible for supplements, issue supplements to Petitioner for any FAP benefits she was eligible to receive but did not from August 1, 2025 ongoing
3. Reprocess Petitioner's MA case to determine the most beneficial category of coverage in accordance with policy and consistent with this hearing decision;
4. If Petitioner is eligible for MA benefits, provide coverage to Petitioner for any MA that he was eligible to receive but did not from July 1, 2025 ongoing;
5. Notify Petitioner of its decision in writing.



---

**DANIELLE NUCCIO**  
**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](https://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://irs.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](mailto: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**

**Via First Class Mail:**

**Petitioner**  
[REDACTED]  
[REDACTED]  
MI [REDACTED]