



Date Mailed: October 30, 2025
Docket No.: 25-031937
Case No.: [REDACTED]
Petitioner: [REDACTED]

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

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

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

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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; 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 October 23, 2025. Petitioner's wife, [REDACTED] appeared and represented the household for the hearing. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Danielle Moton, Assistance Payments Worker. Eman Mohamed served as Arabic interpreter.

ISSUE

Did the Department properly calculate the amount of Petitioner's Food Assistance Program (FAP) benefits and close the household's Medical Assistance (MA) case?

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 and MA benefits.
2. Petitioner's household was previously approved for FAP benefits of \$1,536.
3. In connection with a Semi-Annual, Petitioner's eligibility was reviewed.
4. The Department determined that effective September 1, 2025, Petitioner's household was eligible for \$772 in monthly FAP benefits.
5. On or around August 20, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective October 1, 2025, Petitioner and his wife, [REDACTED] would be ineligible for MA benefits.
6. On or around August 22, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective October 1, 2025, Petitioner and his wife, [REDACTED] were approved for full coverage MA benefits.
7. On or around August 27, 2025, Petitioner requested a hearing disputing the Department's actions with respect to the FAP and MA programs.

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8. At the hearing, Petitioner confirmed that the MA issue Petitioner requested a hearing to dispute has been resolved. Petitioner confirmed that her MA benefits have been reinstated and the issue corrected. Thus, the hearing request with respect to MA is DISMISSED for lack of jurisdiction. See BAM 600.

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).

In this case, Petitioner disputed the decrease in the household's FAP benefits to \$772 effective September 1, 2025. The Department representative testified that although there were no income changes reported on the Semi-Annual submitted, after receiving the self-employment income and expense statements as income verification, the Department determined that Petitioner's income had increased. After processing the income change, the Department representative testified that Petitioner's household was eligible for \$772 in monthly FAP benefits. The Department presented a FAP EDG Net Income Results Budget which was thoroughly reviewed to determine if the Department properly calculated the Petitioner's FAP benefits in the amount of \$772.

All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits and group composition policies specify whose income is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. BEM 500 (April 2022), pp. 1 – 5.

Individuals who run their own businesses are self-employed. BEM 502 (June 2024), p. 1. This includes but is not limited to selling goods, farming, providing direct services, and operating a facility that provides services such as adult foster care home or room and board. BEM 502, p. 1. The amount of self-employment income before any deductions is called total proceeds. BEM 502, p. 3. Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. BEM 502, p. 3. Allowable expenses (except MAGI related MA) are the higher of 50 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses. BEM 502, p. 3. BEM 502 provides a list of expenses that are allowed when determining self-employment countable income, pp. 3-4. The Department will consider the average monthly income from the past 60 or 90 days for fluctuating or irregular income such as self-employment. BEM 505 (June 2025), pp. 1-7.

The budget shows that Petitioner's household had self-employment income of [REDACTED] which consisted of Petitioner's income as a driver for [REDACTED] (Exhibit A, p. 16). Specifically, the Department representative testified that in connection with the Semi-Annual, Petitioner submitted self-employment income and expense statements for the

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months of May 2025, June 2025, and July 2025. According to the statements submitted, Petitioner identified self-employment earnings from [REDACTED] of [REDACTED] for the month of May 2025; [REDACTED] for the month of June 2025; and [REDACTED] for the month of July 2025. The Department representative testified that the second page of the self-employment statements for the month of June 2025 and July 2025 included a handwritten statement from Petitioner that he had expenses from [REDACTED] for the month of May 2025 of \$2,234.31; \$3,257.23 for the month of June 2025; \$3,006.10 for the month of July 2025; and gas expenses for the three months totaling \$1,500. (Exhibit A, pp. 27-33). The Department representative testified however that Petitioner only submitted verification of his expenses for the month of July 2025 from [REDACTED] which showed the \$3,006.10. (Exhibit A, pp. 32-33). Petitioner's wife confirmed that the income and expense amounts identified on the statements submitted were correct. Petitioner's wife also confirmed that verification of actual expenses was only submitted for July 2025; however, if needed, additional expenses could be submitted.

Based on the self-employment statements submitted by Petitioner, the three-month average of his countable self-employment income or total proceeds is [REDACTED]. Because Petitioner's verified expenses submitted were \$3,006.10, the Department properly considered 50% of the total proceeds [REDACTED] as this figure is more beneficial to Petitioner. Upon review, the Department properly determined that Petitioner's self-employment income was [REDACTED].

The deductions to income on the net income budget were also reviewed. BEM 550 (October 2024), pp. 1-2. Petitioner's FAP group is eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Standard deduction based on group size.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (October 2024), p. 1; BEM 556 (October 2024), p. 1-8.

The budget properly reflects an earned income deduction of \$709, based on 20% of Petitioner's [REDACTED] in earned income. There was no evidence presented that Petitioner had any out-of-pocket dependent care or child support expenses and therefore, the budget properly did not include any deduction for dependent care or child support. The Department properly applied a standard deduction of \$291 which was based on Petitioner's confirmed group size of seven. RFT 255 (October 2024), p. 1.

With respect to the calculation of the excess shelter deduction, the Department representative testified that it considered housing expenses for annual property taxes of \$1,117.83, which taken monthly is \$93.15, and the \$664 heat and utility standard, which covers all heat and utility costs including cooling expenses and is the maximum total

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utility and most beneficial standard available to the client. BEM 554, pp. 13-21; RFT 255, p.1. The Department also considered a \$50 internet expense. Petitioner's wife confirmed the amount of her housing expenses. The excess shelter deduction is calculated by subtracting 50% of the adjusted gross income from the total shelter amount. The Department determined that Petitioner's total shelter amount was \$807 and 50% of her adjusted gross income of [REDACTED] was [REDACTED]. Thus, the Department properly determined that Petitioner was eligible for an excess shelter deduction of \$0.

After further review, the Department properly determined Petitioner's income and took into consideration the appropriate deductions to income. Based on net income of [REDACTED], Petitioner's seven person FAP group is eligible for \$772 in monthly FAP benefits for the month of September 2025. RFT 260 (October 2024), p.35.

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 the amount of Petitioner's FAP benefits of \$772 for September 1, 2025, ongoing.

Accordingly, the hearing request with respect to MA is **DISMISSED** and the Department's FAP decision is **AFFIRMED**.



ZAINAB A BAYDOUN
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://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, **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-GREENFIELD/JOY-DHHS

8655 GREENFIELD RD

DETROIT, MI 48228

MDHHS-WAYNE-17-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Petitioner

[REDACTED]

[REDACTED]

[REDACTED], MI [REDACTED]

