



Date Mailed: October 21, 2025
Docket No.: 25-033921
Case No.: [REDACTED]
Petitioner: [REDACTED]

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

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Docket No.: 25-033921

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 was held by telephone on October 13, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Lori Turner, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) eligibility effective September 1, 2025?

Did the Department properly determine Petitioner's Medicaid (MA) eligibility effective August 1, 2025?

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 over [REDACTED] years of age and married to [REDACTED] (Spouse). They are both Medicare recipients and live in [REDACTED].
2. Petitioner receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$ [REDACTED] per month and Spouse receives RSDI income of \$ [REDACTED] per month. (Exhibit A, pp. 13 – 14).
3. Petitioner and Spouse each pay \$185 per month for Medicare Part B premiums; and Petitioner also pays \$71.54 per month in additional health insurance premiums.
4. Petitioner was an ongoing recipient of MA coverage subject to a monthly deductible.
5. On June 25, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved her for MA subject to a monthly deductible of \$1,757 per month effective August 1, 2025.

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6. Petitioner was an ongoing recipient of FAP benefits of \$536 per month for a two-person FAP group that included herself and Spouse. (Exhibit A, p. 7).
 7. On August 18, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that decreased her FAP benefits to \$23 per month for her two-person FAP group.
 8. On August 28, 2025, the Department received a request for hearing from Petitioner, disputing the reduction of her FAP benefits, and her MA coverage.

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.

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.

Petitioner requested a hearing to dispute the reduction of her FAP benefit amount and the Department's determination regarding her MA eligibility. The Department testified that it sent Petitioner a NOCA on August 18, 2025, that reduced Petitioner's FAP benefits to \$23 per month effective September 1, 2025, due to a reduction in her medical deduction; and sent her a HCCDN on June 25, 2025, that approved Petitioner for MA subject to a monthly deductible of \$1,757 effective August 1, 2025.

FAP

Petitioner requested a hearing to dispute the amount of her monthly FAP benefit. There was no dispute that Petitioner received FAP benefits of \$536 per month for a two-person FAP group from March 1, 2025 to August 31, 2025, and that the Department reduced Petitioner's FAP benefits to \$23 per month effective September 1, 2025. The Department testified that Petitioner's prior benefit amount was based in part on a

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medical deduction of \$3,056 per month. However, effective September 1, 2025, Petitioner's medical deduction was reduced to \$410, and the change in that deduction reduced Petitioner's monthly FAP benefit to \$23 per month.

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 amount of RSDI income is countable unearned income. BEM 503 (July 2025), pp. 30 – 31. In this case, there was no dispute that Petitioner's household's monthly income was from RSDI received by herself and Spouse, and that the total amount of their income was \$ [REDACTED].

After countable income is calculated, the Department must determine which deductions are available to Petitioner. Because Petitioner and Spouse are each over the age of 60 and Petitioner is disabled, they are 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, p. 10). There was no dispute that Petitioner was entitled to a standard deduction and a medical expense deduction. The Department testified, and Petitioner confirmed, that she did not have any dependent care or court ordered child support expenses.

The evidence established that the Department properly reduced Petitioner's income by \$204 for the standard deduction for her two-person FAP group. RFT 255 (October 2024). The evidence also established that the Department deducted \$410 from Petitioner's income as a medical deduction. The Department explained that it determined the deduction amount by adding together Petitioner and Spouse's Medicare Part B premiums of \$185 each, and Petitioner's additional health insurance premium of \$71.54, and reduced the total by \$35, to determine Petitioner's medical expense amount in excess of \$35. Although Petitioner testified that she periodically submits additional medical bills to the Department, there was no evidence that the Department had received any additional medical bills relative to Petitioner's September 2025 FAP benefits. Thus, the Department's calculation of Petitioner's medical deduction was made

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in accordance with policy. Therefore, the Department properly deducted the \$204 standard deduction and \$410 medical deduction from Petitioner's total monthly income.

Next, the Department determines any excess shelter expense deduction. To start, the Department must first calculate an adjusted gross income (AGI) for Petitioner by subtracting the allowable deductions outlined previously from the countable income. Based on Petitioner's total countable income of \$[REDACTED], minus the standard deduction of \$204 and the medical deduction of \$410, the allowable deductions she was eligible for, Petitioner's AGI was \$[REDACTED].

To complete the excess shelter deduction calculation, the Department reviews Petitioner's housing and utility expenses, if any. There was no dispute that Petitioner does not pay a mortgage but does pay annual property taxes of \$3,474 and homeowner's insurance premiums of \$252; and is responsible for payment of heat and other utilities. Although the Department did not introduce an excess shelter deduction calculation, it explained that it added Petitioner's annual property taxes and homeowner's insurance premium together and divided by 12 months of the year. The Department determined Petitioner has a monthly housing expense of \$310. BEM 554, pp. 15 – 16. When a FAP group has heating and other utility expenses, separate from the mortgage or rent payment, it is entitled to a heat and utility (h/u) standard amount to be included in the calculation of the excess shelter deduction, which is the highest amount available to FAP groups who pay utilities. BEM 554, p. 17. Until September 30, 2025, the h/u standard amount was \$664. RFT 255 (October 2024). The Department testified that it included the h/u standard when it completed the excess shelter deduction calculation in Petitioner's case.

Once Petitioner's housing and utility expenses have been determined, the Department must add those amounts together for a total shelter amount and then subtract 50% of Petitioner's AGI from the total shelter amount to determine whether Petitioner is eligible for an excess shelter deduction and, if so, the amount of the deduction. BEM 556, pp. 5 – 6. Here, the total of Petitioner's monthly housing of \$310 and the h/u standard of \$664 was \$974. When 50% of Petitioner's \$[REDACTED] AGI, in the amount of \$[REDACTED], was subtracted from the total shelter amount of \$974, the result was \$0. Therefore, the Department properly determined Petitioner was not eligible for an excess shelter deduction, and that her AGI of \$[REDACTED] was her net income.

Once the net monthly income has been determined under the FAP program, the Department determines what benefit amount Petitioner is entitled to, based on the group size, according to the Food Assistance Issuance Table found in RFT 260. Based on Petitioner's two-person FAP group size and net income of \$[REDACTED], the Department properly determined Petitioner's monthly benefit amount of \$23 effective September 1, 2025. RFT 260 (October 2024), p. 29.

MA

Petitioner also requested a hearing to dispute the Department's determinations regarding her eligibility for MA. The Department testified that she was approved for Group 2 Aged, Blind, and Disabled (G2S) MA subject to a monthly deductible of \$1,757.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. 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, p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Because Petitioner is a Medicare recipient and is not the caretaker of a minor child, she is eligible for MA only under SSI-related categories.

Based on Petitioner's circumstances, she was potentially eligible for AD-Care MA. The AD-Care program is a Group 1, full-coverage, SSI-related MA program for individuals who are income-eligible based on their MA fiscal group size. BEM 163 (July 2017), p. 1. Net income for this program cannot exceed 100% of the Federal Poverty Level (FPL) for the fiscal group size. BEM 163, p. 1. For SSI-related MA purposes, married adults, like Petitioner, are a fiscal group size of two and the group's monthly income must be \$1,763 or less. BEM 211 (October 2023), p. 8; RFT 242 (April 2025); 2025-01377 (90 FR 5917).

As explained previously, there was no dispute that Petitioner and Spouse receive RSDI income in the total amount of \$[REDACTED] per month. For MA, the total gross amount of RSDI is counted as unearned income but, for purposes of SSI-related MA, is reduced by \$20 to determine the net unearned income. BEM 163, pp. 2 – 3; BEM 503, pp. 30 – 32; BEM 541 (January 2025), p. 3. Petitioner's and Spouse's total RSDI of \$[REDACTED], reduced by \$20, equals \$[REDACTED] in net unearned income. There was no dispute that Petitioner does not have earned income, expenses related to non-SSI children, or a court-appointed guardian and/or conservator. Thus, she was not eligible for any additional deductions. BEM 541, pp. 1, 3. Therefore, Petitioner's countable net income was \$[REDACTED]. Because that is more than the \$1,763 income limit for AD-Care MA, the Department properly determined Petitioner was not eligible for AD-Care MA.

Clients who are ineligible for full-coverage MA coverage because of excess income may still be eligible for G2S MA, an SSI-related MA program which provides for MA coverage with a monthly deductible. BEM 105, p. 1. The deductible for G2S MA is equal to:

- a) The amount of the individual's SSI-related net income,
- b) Minus the allowable needs deductions set forth in BEM 544, and

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c) Minus the applicable Group 2 MA protected income level (PIL).

BEM 166, p. 2; BEM 541, pp. 1, 3 – 4; BEM 544 (January 2020). The PIL is a set allowance for non-medical need items such as shelter, food, and incidental expenses that is based on the county in which the client resides and the client's fiscal MA group size. BEM 544, p. 1. The PIL for Wayne County, where Petitioner resides, is \$500 for a two-person fiscal group. RFT 200 (April 2017), p. 2; RFT 240 (December 2013).

The Department testified that Petitioner was approved for G2S MA subject to a monthly deductible of \$1,757 effective August 1, 2025, and presented a budget showing how it calculated Petitioner's monthly deductible. (Exhibit A, p. 12). From Petitioner's net income of \$[REDACTED], the Department subtracts allowable needs deductions, consisting of a) health insurance and Medicare premiums of the medical group, and b) remedial services for residents of adult foster care (AFC) or homes for the aged (HA). BEM 544, pp. 1 – 2, 4.

There was no dispute that Petitioner and Spouse each pay \$185 per month for Medicare Part B premiums and that Petitioner also pays \$71.54 per month in additional health insurance premiums. The evidence established that the Department properly budgeted a deduction of \$441.54 for health insurance premiums. However, there was no evidence that Petitioner lives in AFC or HA; thus, Petitioner was not entitled to any other deduction. When the total of Petitioner's and Spouse's health insurance premiums was subtracted from Petitioner's net income of \$[REDACTED], her countable net income was reduced to \$[REDACTED]. The Department then deducted Petitioner's \$500 PIL from her \$[REDACTED] countable net income, which left \$[REDACTED]. This amount becomes the deductible amount. Therefore, the Department properly determined Petitioner's monthly deductible in the amount of \$1,757 effective August 1, 2025.

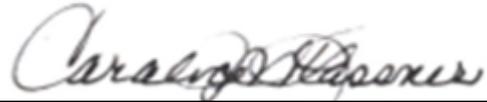
It is noted that during the hearing, the Department testified that subsequent to Petitioner's request for hearing, it issued a HCCDN that increased Petitioner's monthly MA deductible effective October 1, 2025. However, the Department's action effective October 1, 2025, was taken after Petitioner's request for hearing and there was insufficient evidence available during the hearing to consider any dispute Petitioner may have regarding that action. Petitioner is advised that if she disputes the Department's determination effective October 1, 2025, she may request another hearing in accordance with the instructions included with that HCCDN.

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 determined Petitioner's FAP benefit eligibility effective September 1, 2025, and when it determined Petitioner's MA eligibility effective August 1, 2025.

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



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.

Via Electronic Mail:

Respondent

WAYNE-GREENFIELD/JOY-DHHS
8655 GREENFIELD RD
DETROIT, MI 48228

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Via First Class Mail:

Petitioner

[REDACTED]
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