



Date Mailed: December 22, 2025

Docket No.: 25-037950

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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Docket No.: 25-037950

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 video conference on December 15, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Latora Giles, Assistance Payments Supervisor.

ISSUE

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

Did the Department properly determine Petitioner's Medicaid (MA) 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 [REDACTED] years old, disabled, a Medicare recipient, and an ongoing recipient of FAP benefits and MA coverage. (Exhibit 1, pp. 1 – 2, 8).
2. Petitioner receives Retirement, Survivors, and Disability Insurance (RSDI) income as a disabled dependent of a wage earner. (Exhibit 1, p. 7). Historically:
 - a. Petitioner became disabled under Social Security Administration (SSA) rules on September 1, 1997. (Exhibit 1, p. 7).
 - b. In January 2003, Petitioner became entitled to RSDI income as a Disabled Adult Child (DAC) as of September 2002, and began receiving RSDI income of \$[REDACTED] per month. She previously received Supplemental Security Income (SSI). (Exhibit 1, pp. 1 – 4, 6).
 - c. From April 2003 to March 2004, Petitioner was ineligible for SSI because she became eligible for RSDI income in January 2003. (Exhibit 1, p. 6).

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- d. Petitioner's SSI stopped beginning in April 2004. (Exhibit 1, p. 8).
 - e. From December 2024 to November 2025, Petitioner received \$ [REDACTED] per month in RSDI income. (Exhibit 1, p. 7; Exhibit A, p. 22).
 - f. In December 2025, Petitioner's RSDI income was increased to \$ [REDACTED] per month. (Exhibit 1, p. 7).
3. On October 6, 2021, the Department's DAC Determination Unit found Petitioner ineligible for DAC MA due to fleeing prosecution or violation of parole. (Exhibit A, p. 17).
 4. On June 4, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that approved her for FAP benefits of \$292 per month, prorated from June 2, 2025 to May 31, 2027, based on unearned income of \$ [REDACTED] and expenses that included: medical of \$4,471, a heat/utility standard (h/u) of \$664, and an internet standard of \$50, among other things. (Exhibit A, pp. 31 – 32).
 5. On June 9, 2025, the Department's DAC Determination Unit confirmed that Petitioner was ineligible for DAC MA. (Exhibit A, p. 17).
 6. On September 22, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved her for Plan First Family Planning (PFFP) MA and Medicare Savings Program (MSP) effective October 1, 2025.
 7. On September 29, 2025, the Department sent Petitioner a HCCDN that approved her for MA subject to a monthly deductible of \$1,118 from September 1 to September 25, 2025, and for full coverage MA from September 26 to September 30, 2025. (Exhibit A, pp. 39 – 40).
 8. On October 17, 2025, the Department received a request for hearing from Petitioner. Petitioner disputed the amount of her FAP benefit and the Department's determination of her MA eligibility. (Exhibit A, pp. 4 – 6).
 9. On October 20, 2025, the Department's DAC Determination Unit informed the Department that Petitioner remained ineligible for DAC MA because Petitioner's SSI ended April 1, 2003, due to fleeing prosecution or violation of parole. (Exhibit A, pp. 18 – 19).
 10. On November 17, 2025, the Department sent Petitioner a HCCDN that approved her for PFFP MA and MA subject to a monthly deductible of \$1,118 effective December 1, 2025.

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

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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.

In this case, Petitioner requested a hearing to dispute the amount of her monthly FAP benefit and the Department's determination of her MA eligibility. Petitioner asserted that she is disabled and should qualify for MA under DAC MA, as she is an adult child with disabilities.

The Department decreased Petitioner's FAP benefits to \$275 per month effective December 1, 2025, based on a change in her medical expense deduction. The Department approved Petitioner for PFFP MA and MA subject to a monthly deductible since at least September 1, 2025.

FAP

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. The Department counts the gross benefit amount of RSDI as unearned income. BEM 503 (October 2025), pp. 31 – 33. In this case, there was no dispute that Petitioner's only income is from RSDI, in the amount of \$ [REDACTED] per month.

After countable income is calculated, the Department must determine which deductions are available to Petitioner. Because Petitioner is disabled, she is 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.

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- 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 (November 2025) p. 1; BEM 556 (November 2024) pp. 4 – 6. The medical expense deduction for SDV groups who verify one-time or ongoing medical expenses in excess of \$35 for the SDV member is a standard medical deduction (SMD) of \$165, unless the group has actual medical expenses in a higher amount and verify those actual expenses. BEM 554, p. 9.

The Department introduced a budget to show how it determined Petitioner's FAP benefit amount. (Exhibit A, pp. 20 – 21, 23). Effective October 1, 2025, the standard deduction for a one-person FAP group, such as Petitioner's, increased from \$204 to \$209. RFT 255 (October 2025; October 2024). The Department testified, and Petitioner confirmed, that she did not have any dependent care or court ordered child support expenses. Although Petitioner testified that she incurs medical expenses and the evidence established that the Department previously budgeted medical expenses of \$4,471, there was no evidence that she currently incurs more than \$35 per month in medical expenses. Additionally, the Department credibly testified that the last verification of medical expenses it received from Petitioner was dated June 2, 2025, for a one-time co-pay of \$150. Thus, the budget reflected that the Department properly deducted only a \$209 standard deduction from Petitioner's countable income.

Next, the Department determines any excess shelter expense deduction. To start, the Department first calculates Petitioner's adjusted gross income (AGI) by subtracting the allowable deductions outlined above from the countable income. Based on Petitioner's countable income of \$ [REDACTED], and Petitioner's standard deduction of \$209, Petitioner's AGI was \$ [REDACTED].

To complete the excess shelter deduction calculation, the Department reviews Petitioner's housing and utility expenses. There was no dispute that Petitioner had a housing expense of \$1,200 per month and was responsible for payment of heat and other utilities. 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. 19. Effective October 1, 2025, the h/u standard amount is \$682, and a FAP group's internet expense is no longer a separate standard amount to be included in calculation of the group's excess shelter deduction. BEM 554, pp. 27 – 30; RFT 255 (October 2025). Thus, the Department properly budgeted Petitioner's housing expense and used the h/u standard amount when it completed Petitioner's excess shelter expense calculation.

Once Petitioner's housing and allowable 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. BEM 556, pp. 5 – 6. This determines whether Petitioner is eligible for an excess shelter deduction and, if so, the amount of the deduction.

Here, the total of Petitioner's monthly housing of \$1,200 and the h/u standard of \$682 was \$1,882. When 50% of Petitioner's \$[REDACTED] AGI, in the amount of \$[REDACTED], was subtracted from the total shelter amount of \$1,882, Petitioner's excess shelter deduction was \$[REDACTED], and the Department properly budgeted that deduction.

When Petitioner's excess shelter deduction of \$1,230 was subtracted from her AGI of \$[REDACTED], Petitioner's net income was \$[REDACTED]. The Department's calculations were made consistent with policy.

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 one-person FAP group size and net income of \$74, the Department properly determined Petitioner's monthly benefit amount of \$275 effective December 1, 2025. RFT 260 (October 2025), p. 2.

MA

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 categories 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 disabled, has Medicare coverage, and is not the caretaker of a minor child, she is eligible for MA under only SSI-related categories. SSI-related MA categories include Disabled Adult Children (DAC), AD-Care, and Group 2 Aged, Blind and Disabled (G2S), as well as PFFP. PFFP is a limited coverage Modified Adjusted Gross Income (MAGI)-related MA category (BEM 124, p. 1), while DAC MA provides broader coverage than PFFP or G2S and is, therefore, a more beneficial coverage for individuals.

DAC MA is a Group 1 SSI-related MA category and is available to a person receiving disabled adult children's (also called Childhood Disability Beneficiaries' or CDBs') RSDI (DAC RSDI) benefits under section 202(d) of the Social Security Act if he or she:

1. Is age 18 or older; and

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1. Received SSI; and
 2. Ceased to be eligible for SSI on or after July 1, 1987, because he or she became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such RSDI benefits; and
 3. Is currently receiving DAC RSDI benefits under section 202(d) of the Act; and

Note: To receive DAC RSDI a person must have a disability or blindness that began before age 22.

4. Would be eligible for SSI without such RSDI benefits and meet all other eligibility factors.

BEM 158 (October 2014, October 2025), pp. 1 – 2.

To determine if an individual is receiving DAC RSDI, the Department must ascertain if the individual:

1. Has been identified as a DAC RSDI by the Department's central office or an SSI letter and the Social Security claim number suffix contains the letter C, or
1. Is more than 19 years 2 months old and the Social Security claim number suffix contains the letter C, or
2. Is age 18 or older, not a full-time student in elementary or secondary school, and the Social Security claim number contains the letter C.

In each of these scenarios, the C may be followed by another letter or number (CA, CB, C1, etc.). BEM 158, p. 3.

If any of the foregoing are true, the individual may be receiving DAC RSDI and the Department must request a screening for DAC MA eligibility from the Department's central office, unless a determination has already been completed. BEM 158, p. 3. However, the Department must document and correct benefits approved or denied in error as soon as possible, including errors resulting in program ineligibility. BAM 115 (July 2025, October 2025), p. 32.

The Department testified that its DAC Determination Unit determined on October 6, 2021, and confirmed on June 9, 2025, that although Petitioner previously received SSI due to disability, her SSI did not terminate based on starting or increasing RSDI income; and therefore, she was ineligible for DAC MA.

However, the parties stipulated to allow Petitioner to submit evidence from SSA following the hearing, and a review of that evidence, including:

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- a. A letter dated January 20, 2003, that informed Petitioner that she became entitled to monthly DAC RSDI beginning September 2002, and
 - b. A letter dated November 24, 2025, that stated Petitioner's SSI terminated due to her eligibility for DAC benefits starting in January 2003,

conflicts with the Department's testimony and other representations. The Department did not introduce the DAC Determination Unit's determination or other evidence in support of its testimony. Therefore, the Department failed to establish that it acted in accordance with Department policy when it determined Petitioner was ineligible for DAC MA.

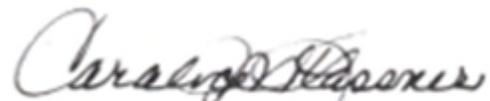
DECISION AND ORDER

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

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to **FAP** and **REVERSED IN PART** with respect to **MA**.

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 eligibility for DAC MA effective from the date of any Departmental error, but no later than September 1, 2025, requesting verifications from Petitioner or SSA if necessary;
2. If eligible, provide Petitioner MA coverage under the most beneficial category that she was entitled to receive but did not effective from the date of any Departmental error, but no later than September 1, 2025, ongoing; and
3. Notify Petitioner of its decision in writing, including any hearing rights required by policy.



**CARALYCE M. LASSNER
ADMINISTRATIVE LAW JUDGE**

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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

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Via First Class Mail:

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