



**Date Mailed:** December 18, 2025  
**Docket No.:** 25-038709  
**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:** December 18, 2025

**Docket No.:** 25-038709

**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 December 11, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Sunshine Simonson, Eligibility Specialist.

### **ISSUE**

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount effective October 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, not married, lives in [REDACTED], has Medicare, and receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$ [REDACTED] per month. (Exhibit A, pp. 33 – 37).
1. On August 25, 2025, the Department received a redetermination application for Food Assistance Program (FAP) benefits from Petitioner. Petitioner reported that she had medical expenses, but did not have any child support, dependent care, or housing or utility expenses. (Exhibit A, pp. 33 – 37).
2. On September 11, 2025, the Department interviewed Petitioner. Petitioner reported that she had Medicare; paid \$427 per month for shelter, \$148 per month for her telephone, and \$12.95 per month for internet; and did not pay for any other utilities. (Exhibit A, pp. 9 – 15).
3. On September 11, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that approved her for FAP benefits of \$24 per month for a one-person FAP group effective October 1, 2025. The NOCA included a budget summary that reflected that the Department considered medical expenses of \$165, housing costs

25-038709

of \$427, and telephone expenses of \$31 per month when it determined Petitioner's FAP benefit amount. (Exhibit A, pp. 20 – 21).

4. Effective October 1, 2025, the Department approved Petitioner for MA subject to a monthly deductible of \$881. Petitioner was previously approved for MA subject to a monthly deductible of \$846 from February 1, 2025 to September 30, 2025. (Exhibit A, pp. 28 – 30).
5. Effective November 1, 2025, the Department approved Petitioner for MA subject to a monthly deductible of \$1,056. (Exhibit A, pp. 28, 31).
6. On October 20, 2025, the Department received a request for hearing from Petitioner, disputing the Department's determination of her MA eligibility and monthly FAP benefit amount. (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).

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 amount of her monthly FAP benefit and that she was not approved for full coverage MA.

### **FAP**

Petitioner completed a redetermination of her FAP eligibility, and on September 11, 2025, the Department approved Petitioner for FAP benefits of \$24 per month for a one-person FAP group, effective October 1, 2025.

25-038709

---

---

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

After countable income is calculated, the Department must determine which deductions are available to Petitioner. Specific and limited deductions are permitted, depending on the source of countable income and the group's composition. Because Petitioner is over 60 years of age, she is considered a senior/disabled/veteran (SDV) household. BEM 550 (April 2025), p. 1. 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 (October 2025) p. 1; BEM 556 (October 2025) pp. 3 – 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 explain how it determined Petitioner's monthly FAP benefit. (Exhibit A, pp. 18 – 19). Petitioner confirmed that she does not have any dependent care or court ordered child support expenses; and no deduction for those expenses are reflected on the budget. Although Petitioner testified that she had medical expenses, there was no evidence that she reported or verified medical expenses in excess of \$35 per month during the redetermination process. Thus, the budget properly reflected that Petitioner received only a \$209 standard deduction from her countable income based on her one-person FAP group size, which reduced her income to \$[REDACTED]. BEM 550, p. 1; RFT 255 (October 2025).

Next, the Department determines the amount, if any, of 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 reviewed Petitioner's housing and utility expenses. There was no dispute that Petitioner had a housing expense of \$427 per month, was not responsible for payment of heat and other utilities and did not receive a Home Heating Credit (HHC) or a Low-Income Home Energy Assistance Payment (LIHEAP) within the prior 12 months; but that she did have telephone and internet expenses. When a FAP group has a telephone expense, but does not have a heating or other utility expense, and has not received a HCC or LIHEAP in the past 12 months, they are entitled to a \$31 telephone standard amount to be included in the calculation of the excess shelter deduction, which is the highest amount available to a FAP group who pays a telephone expense. BEM 554, pp. 19 – 29, 31; RFT 255 (October 2025). Effective October 1, 2025, a FAP group is not entitled to a deduction for an internet expense in calculation of the group's excess shelter deduction. BEM 554, pp. 27 – 30; RFT 255.

Although Petitioner expressed concern that she had no substantial changes in her expenses and did not understand why her FAP benefits decreased, the Department explained that it previously budgeted Petitioner's housing expense in the amount of \$592 and used the heat and utility (h/u) standard of \$664 (RFT 255 (October 2024)) to calculate of Petitioner's excess shelter deduction. (Exhibit A, p. 16 – 17). However, Petitioner confirmed her actual housing expense was \$427 as budgeted, and that she does not pay for heat or electric utilities. Therefore, the Department properly budgeted only Petitioner's current housing expense and the telephone standard amount, when it calculated Petitioner's current excess shelter deduction.

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.

The total of Petitioner's monthly housing of \$427, plus the telephone standard of \$31, was \$458. Because 50% of Petitioner's \$[REDACTED] AGI, in the amount of \$[REDACTED], is more than Petitioner's total shelter amount of \$458, Petitioner's excess shelter deduction was \$0 and her net monthly income was \$[REDACTED].

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 \$[REDACTED], the Department properly determined Petitioner's monthly benefit amount of \$24 effective October 1, 2025. RFT 260 (October 2025), p. 18.

---

## **MA**

In this case, Petitioner disputed the Department's determination regarding her MA coverage. Petitioner was approved for MA subject to a monthly deductible of \$846 from February 1, 2025 to September 30, 2025. Effective October 1, 2025, the Department removed a cost-of-living adjustment (COLA) exclusion from Petitioner's MA budget and approved Petitioner for MA subject to a monthly deductible of \$881. Effective November 1, 2025, the Department removed an insurance premium deduction from Petitioner's MA budget and approved Petitioner for MA subject to a monthly deductible of \$1,056.

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 over 65 and is not the caretaker of a minor child, Petitioner is eligible for MA under only SSI-related categories.

## **AD-Care MA**

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, adults who are not married, such as Petitioner, are a fiscal group size of one. BEM 211 (October 2023), p. 8. Because Petitioner is a fiscal group of one, to be income eligible for AD-Care MA, her monthly income would have to be \$1,305 or less. RFT 242 (April 2025).

In this case, as explained previously, there was no dispute that Petitioner receives gross RSDI in the amount of \$[REDACTED] per month and has no other income. 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 503, pp. 31 – 33; BEM 541 (January 2025), p. 3; BEM 163. Petitioner's gross RSDI income of \$[REDACTED], reduced by \$20, equals \$[REDACTED] in net unearned income. Petitioner, who does not have earned income, expenses related to non-SSI children, or a court-appointed guardian and/or conservator, is not eligible for any additional deductions. BEM 541, pp. 1, 3. Therefore, Petitioner's countable net income was \$[REDACTED] throughout 2025, and because that is more than the \$1,305 limit for AD-Care MA, the Department properly determined she was not eligible for AD-Care MA.

---

## **Group 2 Aged, Blind, and Disabled (G2S) MA**

Clients who are ineligible for full-coverage MA coverage because of excess income may still be eligible for Group 2 Aged, Blind, and Disabled (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 allowable needs deductions set forth in BEM 544, and
- c) minus the applicable Group 2 MA protected income level (PIL).

BEM 166 (April 2017), p. 2; BEM 541, pp. 1, 3 – 4; BEM 544 (January 2020), pp. 1 – 2. 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 \$375 for a one-person fiscal group. RFT 200 (April 2017); RFT 240 (December 2013). Additionally, federal law requires cost-of-living (COLA) increases received in January to be disregarded for January, February, or March of that year, and become effective for purposes of MA on April 1 of each year. BEM 503, pp. 30 – 31.

The Department presented budgets showing how Petitioner's G2S MA deductible was calculated for (i) October 1 to October 31, 2025 (October budget), and (ii) November 1, 2025 ongoing (November budget). (Exhibit A, pp. 28, 30 – 31).

The October budget and the November budget both reflect that Petitioner's net income was \$[REDACTED]. As explained above, the Department then subtracts allowable needs deductions, which consist of health insurance premiums of the MA recipient and remedial services for residents of adult foster care (AFC) or homes for the aged (HA), from the client's net income. BEM 544, pp. 1 – 2. There was no dispute that Petitioner does not live in AFC or HA, or pay any guardianship or conservatorship expenses; and no deduction for those expenses is reflected on either budget. Additionally, the evidence established that although it was past April 1, 2025, the Department continued to exclude Petitioner's \$35 COLA increase through September 30, 2025. (Exhibit A, p. 29). The Department properly removed the \$35 COLA exclusion from the October and November budgets effective October 1, 2025 ongoing.

Because the October budget reflects a deduction for insurance premiums and the November budget does not, the undersigned will address the remainder of each budget separately.

### **October Budget**

Although it was unclear whether Petitioner was responsible for payment of her Medicare Part B premium for October 2025, the Department budgeted a premium amount of \$174.70. When the \$174.70 health insurance premium was subtracted from Petitioner's net income of \$[REDACTED], her countable net income was reduced to \$[REDACTED]. The

25-038709

Department then deducted Petitioner's \$375 PIL from her \$ [REDACTED] countable net income, which left \$ [REDACTED]. This amount becomes the deductible amount. Therefore, the Department properly approved Petitioner for MA subject to a monthly deductible of \$881 effective October 1, 2025.

#### November Budget

There was no dispute that as of at least November 1, 2025, Petitioner was no longer responsible for payment of her own Medicare Part B premiums, and the November budget established that the Department did not include a deduction for that expense. The Department explained that because Petitioner was not entitled to any additional deductions from her net income of \$ [REDACTED], it reduced Petitioner's net income only by her \$375 PIL, which left \$ [REDACTED]. As stated previously, this amount becomes the deductible amount. Therefore, the Department properly approved Petitioner for MA subject to a monthly deductible of \$1,056 effective November 1, 2025.

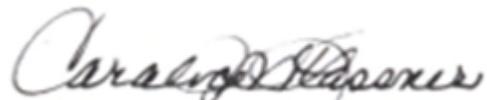
In sum, the evidence and testimony established that the Department properly applied all allowable deductions to Petitioner's income in accordance with policy when it determined her eligibility for MA effective October 1, 2025, and effective November 1, 2025.

It is noted that Petitioner also expressed concern regarding a) her need for home help services (HHS) and an application for HHS she submitted in September 2025, and b) the status of a reimbursement she expects to receive from the Social Security Administration (SSA) for Medicare Part B premiums previously withheld from her RSDI income. Petitioner was advised that those issues were not before the undersigned and could not be properly addressed at the time of the hearing. Petitioner was advised that she may request another hearing regarding either or both of those issues if she so chooses.

### **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 a) determined Petitioner's monthly FAP benefit amount effective October 1, 2025, b) determined Petitioner's MA eligibility effective October 1, 2025, and c) determined Petitioner's MA eligibility effective November 1, 2025.

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



**CARALYCE M. LASSNER**

25-038709

---

## ADMINISTRATIVE LAW JUDGE

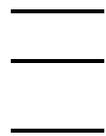
---

**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://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](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-GREENFIELD/JOY-DHHS  
8655 GREENFIELD RD  
DETROIT, MI 48228  
**MDHHS-WAYNE-17-HEARINGS@MICHIGAN.GOV**

**Via First Class Mail:**    **Petitioner**  
[Redacted]  
[Redacted] MI [Redacted]