

Date Mailed: February 12, 2026

Docket No.: 26-001976

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 February 10, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Brian Hines, Assistance Payment Supervisor.

ISSUE

Did MDHHS properly calculate Petitioner's Food Assistance Program (FAP) benefits for January 2026 ongoing?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On [REDACTED] 2025, Petitioner reapplied for FAP benefits after her case had closed earlier in the year.
2. Petitioner is over age [REDACTED] and the sole member of her household.
3. In 2025, Petitioner received monthly unearned income consisting of [REDACTED] in Retirement, Survivors and Disability Insurance (RSDI) income and [REDACTED] in pension income.
4. On November 4, 2025, MDHHS approved Petitioner's application for Medicare Saving Program (MSP) benefits effective October 2025. (Exhibit A, pp. 22-25)
5. In December 2025, MDHHS sent Petitioner three different Notices of Case Action concerning her FAP benefits effective January 2026 ongoing, with the third notice decreasing her FAP benefits to \$34 monthly. (Exhibit A, pp. 26-32, 33-40, 41-48)
6. In January 2026, Petitioner's monthly RSDI income increased to [REDACTED]
7. On January 13, 2026, the Department received Petitioner's hearing request disputing the decrease in FAP.

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.

Petitioner disputed the calculation of her monthly FAP benefits for January 2026 ongoing. MDHHS explained that the decrease in benefits was due to (1) an increase in Petitioner's RSDI income effective January 2026, (2) a reduction in her medical expenses due to Petitioner no longer being responsible for her Part B Medicare premium, and (3) as a result of these changes, Petitioner's loss of the excess shelter deduction due to her shelter expenses no longer exceeding 50% of her adjusted gross income.

To show how Petitioner's FAP eligibility for January 2026 ongoing was calculated, MDHHS presented a net income budget. (Exhibit A, pp. 18-21) Although the budget was dated for February 2026, MDHHS explained that the same budget applied for January 2026 and for months after February 2026, until Petitioner's next redetermination or reported change.

A household's net income for FAP purposes is equal to the household's countable gross income reduced by allowable deductions. See BEM 556 (November 2025), pp. 5-7. In determining a client's countable gross income for FAP, MDHHS policy requires MDHHS to consider gross unearned income received by a client. BEM 503 (October 2025), p. 31. Here, the budget showed that Petitioner's gross monthly income totaled ██████ which MDHHS explained was the sum of Petitioner's ██████ in monthly gross RSDI income effective January 2026 and ██████ in monthly pension income. Petitioner did not dispute this monthly income. Therefore, MDHHS properly calculated Petitioner's gross monthly income.

In determining FAP eligibility and amount, gross income is reduced by allowable deductions. Because Petitioner is over 60 years old, she is a senior/disabled/veteran (SDV) member of her FAP group. See BEM 550 (April 2025), pp. 1-2. FAP groups with one or more SDV members and unearned income are eligible for the following deductions to gross income in the FAP budget:

- the standard deduction (based on group size);

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- childcare expenses;
 - child support expenses;
 - a medical expense deduction of \$165 if the SDV member incurs out-of-pocket medical expenses exceeding \$35 but less than \$200 or a deduction equal to verified out-of-pocket medical expenses minus \$35 if the SDV member incurs and verifies more than \$200 in monthly out-of-pocket medical expenses; and
 - the excess shelter deduction.

BEM 554 (January 2026) p. 1; BEM 556, pp. 3-5.

Petitioner is the sole member of her FAP group. BEM 212 (June 2025), p. 1. A one-person FAP group is eligible for a \$209 standard deduction to gross income, as shown on the budget. RFT 255 (October 2025), p. 1. Petitioner had no childcare or child support expenses. Therefore, the budget properly did not include any deductions for those expenses.

When a client reports medical expenses for an SDV member of the household, MDHHS must estimate ongoing medical expenses based on (1) verified allowable medical expenses, (2) available information about the SDV member's medical condition and health insurance, and (3) changes that can be anticipated to occur during the benefit period. BEM 554, p. 9. Groups that have a verified one-time or ongoing medical expense of more than \$35 and less than \$200 for an SDV individual receive the \$165 standard medical deduction (SMD). BEM 554, p. 10. 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. 10. Groups may voluntarily report and verify changes in medical expenses. BEM 554, p. 10. Additionally, for a one-time-only medical expense, a group who does not have a 24-month FAP benefit period may choose to budget the expense for one month or average it over the balance of the benefit period. BEM 554, p. 10.

Here, MDHHS testified that in connection with her October 2025 FAP application, Petitioner reported one-time medical expenses totaling \$3,070.87 (Exhibit A, p. 20) plus monthly recurring expenses of \$185 for Part B Medicare premiums and \$64.50 for physical therapy services (Exhibit A, p. 49, line 89), and she agreed to have her one-time expenses budgeted over the remaining course of her 12-month benefit certification period (Exhibit A, p. 49, line 100). Because Petitioner was approved for MSP benefits with the result that the State would start paying her Medicare Part B premiums, as of January 2026, MDHHS removed the Medicare Part B expense from Petitioner's medical expenses. This left Petitioner with recurring monthly medical expenses of \$64.50 and verified one-time medical expenses totaling \$3,070.87, which when divided by 11 (the number of full months remaining in the certification period based on an [REDACTED] 2025 application), equaled \$279.17 in monthly expenses for the remainder of the certification period. Petitioner's \$64.50 recurring monthly medical expense and \$279.17 for the remaining medical expenses budgeted over the course of the certification period resulted in a total of \$343.67 in monthly medical expenses. This is reduced by \$35 (the

threshold for medical expenses), making Petitioner eligible for a \$308.67 medical expense deduction, or \$309 rounded up, as shown on the January 2026 budget.

At the hearing, Petitioner testified that she had many additional medical expenses exceeding those budgeted by MDHHS. MDHHS policy provides that in determining medical expenses, MDHHS will consider expenses that are not reimbursed and are not overdue, meaning they are currently incurred or currently billed or the client made a payment arrangement before the medical bill became overdue. BEM 554, p. 13. Although Petitioner testified that she had been advised by an MDHHS worker that her other bills were not admissible, she admitted that she had not submitted these expenses to MDHHS so their eligibility for use as a medical expense deduction for a FAP budget could not be assessed. Based on the information available to MDHHS, MDHHS properly calculated Petitioner's medical expense deduction.

Based on Petitioner's available deductions excluding the excess shelter deduction, Petitioner had an adjusted gross income (AGI) for January 2026 ongoing of [REDACTED] which is her gross income of [REDACTED] reduced by the \$209 standard deduction and the \$309 medical expense deduction. BEM 556, p. 4. The budget correctly shows an AGI of [REDACTED]

The final deduction applicable to the calculation of Petitioner's net income for FAP purposes, the excess shelter deduction, first considers the total of Petitioner's monthly housing expense and the utility standards applicable to Petitioner's case based on the utilities her group is obligated to pay. This sum is reduced by 50% of her AGI (or [REDACTED] in this case) to arrive at her excess shelter deduction. BEM 556, pp. 4-5; BEM 554, pp. 13-24.

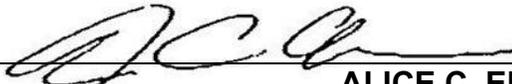
The excess shelter budget showed that in determining Petitioner's monthly housing expenses, MDHHS considered the household's monthly rent obligation of \$395, which Petitioner did not dispute. Because Petitioner was not responsible for heating or cooling expenses, acknowledged that she had not received a home heating credit (HHC) or Low Income Home Energy Assistance Payment (LiHEAP), and the only utility she paid for was her phone, she was eligible for only a standard utility deduction for telephone, which is \$31, as shown on the budget. See BEM 554, pp. 19-30; RFT 2255, p. 1. Petitioner's total housing expense, the sum of her rent and applicable utility standards, is \$426 (the sum of \$395 and \$31). Because Petitioner's monthly housing expense of \$426 is less than 50% of her AGI (or [REDACTED] Petitioner is not eligible for an excess shelter deduction. Therefore, Petitioner's AGI of [REDACTED] is her net income.

Based on net income of [REDACTED] and a FAP group size of one, Petitioner was eligible for monthly FAP benefits totaling \$34. RFT 260 (October 2025), p. 13. This is consistent with MDHHS's calculation. Therefore, MDHHS acted in accordance with policy when it calculated Petitioner's FAP benefits for January 2026 ongoing based on the information that it had available to it at the time it made the calculation.

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 MDHHS acted in accordance with Department policy when it calculated Petitioner's FAP benefits for January 2026 ongoing based on the information it had at the time.

Accordingly, MDHHS's decision is **AFFIRMED**.



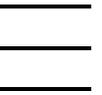
ALICE C. ELKIN
ADMINISTRATIVE LAW JUDGE

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
KENT COUNTY DHHS
121 MARTIN LUTHER KING JR ST SE
STE 200
GRAND RAPIDS, MI 49507
MDHHS-KENT-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

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