

ISSUES

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount?

Did the Department properly determine Petitioner's Medicaid 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 a FAP benefit recipient.
2. Petitioner is disabled.
3. Petitioner is a resident of REDACTED.
4. Petitioner is not married.
5. Petitioner lives with one other individual, but Petitioner purchases and prepares food separately.
6. In 2025, Petitioner began receiving a REDACTED gross monthly benefit from Social Security RSDI.
7. In 2025, Petitioner's Medicare Part B premium was \$202.90 per month.
8. Petitioner does not pay any other health insurance premiums.
9. Petitioner does not pay for any remedial services.
10. Petitioner's mortgage payment is \$822.32 per month.
11. Petitioner is responsible for paying her heating/cooling utilities.
12. On December 23, 2025, Petitioner submitted a redetermination to renew her eligibility for Medicare Savings Program coverage, and Petitioner provided the following medical receipts:
 - a. May 22, 2025, bill from REDACTED for \$200.00
 - b. May 29, 2025, bill from REDACTED for \$15.00
 - c. June 18, 2025, receipt from REDACTED for \$15.00
 - d. June 28, 2025, bill from REDACTED for \$110.00
 - e. July 8, 2025, receipt from REDACTED for \$15.00

- f. July 15, 2025, receipt from REDACTED for \$15.00
 - g. July 30, 2025, receipt from REDACTED for \$15.00
 - h. August 8, 2025, receipt from REDACTED for \$15.00
 - i. August 12, 2025, receipt from REDACTED for \$35.00
 - j. August 15, 2025, receipt from REDACTED for \$15.00
 - k. August 25, 2025, receipt from REDACTED for \$15.00
 - l. August 26, 2025, receipt from REDACTED for \$15.00
 - m. September 2, 2025, receipt from REDACTED for \$182.32
 - n. September 3, 2025, receipt from REDACTED for \$210.61
 - o. September 8, 2025, receipt from REDACTED for \$10.00
 - p. September 15, 2025, receipt from REDACTED for \$200.00
 - q. September 12, 2025, receipt from REDACTED for \$35.00
 - r. September 16, 2025, receipt from REDACTED for \$15.00
 - s. September 23, 2025, receipt from REDACTED for \$15.00
 - t. September 23, 2025, receipt from REDACTED for \$1.60
 - u. September 24, 2025, receipt from REDACTED for \$15.00
 - v. October 27, 2025, receipt from REDACTED for \$15.00
 - w. November 4, 2025, receipt from REDACTED for \$10.00
 - x. November 24, 2025, receipt from REDACTED for \$15.00
 - y. November 26, 2025, receipt from REDACTED for \$35.68
 - z. December 1, 2025, receipt from REDACTED for \$37.50
 - aa. December 4, 2025, receipt from REDACTED for \$98.75
 - bb. December 4, 2025, receipt from REDACTED for \$1.25
13. The Department processed Petitioner's redetermination and determined that Petitioner's income exceeded the limit to be eligible for Medicare Savings Program coverage.

14. On January 27, 2026, the Department mailed a health care coverage determination notice to Petitioner to notify her that she was ineligible for Medicare Savings Program coverage, effective January 1, 2026.
15. The Department redetermined Petitioner's FAP eligibility because Petitioner submitted medical receipts with her Medicare Savings Program redetermination.
16. Initially, the Department determined that Petitioner was eligible for a maximum FAP benefit amount of \$93.00 per month, effective February 1, 2026. The Department determined Petitioner's FAP benefit amount based on the following information:
 - a. Group size of one
 - b. Unearned income of REDACTED per month
 - c. Standard deduction of \$209.00 per month
 - d. Standard medical deduction of \$165.00 per month
 - e. Housing costs of \$822.32 per month
 - f. Heat/utility standard of \$682.00 per month
17. On January 27, 2026, the Department mailed a notice of case action to Petitioner to notify her that she was eligible to receive a maximum FAP benefit amount of \$93.00 per month, effective February 1, 2026.
18. Subsequently, the Department redetermined Petitioner's FAP eligibility, and the Department determined that Petitioner was eligible for a medical expense deduction of \$229.00. The increased medical expense deduction was due to Petitioner's \$202.90 Medicare Part B premium and the following one-time medical expenses:
 - a. \$10.00 payment incurred November 4, 2025
 - b. \$15.00 payment incurred November 24, 2025
 - c. \$35.68 payment incurred November 26, 2025
19. The \$229.00 medical expense deduction increased Petitioner's FAP benefit amount to \$122.00 for the month of February 2026.
20. The Department also redetermined Petitioner's ongoing FAP eligibility, and the Department determined that Petitioner was eligible for a medical expense deduction of \$168.00. The medical expense deduction was due to Petitioner's \$202.90 Medicare Part B premium.
21. The \$168.00 medical expense deduction increased Petitioner's ongoing FAP benefit amount to \$94.00 per month, effective March 1, 2026.

22. On February 12, 2026, the Department mailed a notice of case action to Petitioner to notify her that she was eligible to receive a maximum FAP benefit amount of \$94.00 per month, effective March 1, 2026.
23. Petitioner requested a hearing to dispute the Department's decision to find her ineligible for Medicare Savings Program coverage and to dispute her FAP benefit

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).

FOOD ASSISTANCE

The Food Assistance Program (FAP) 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Department determined that Petitioner was eligible for a maximum FAP benefit of \$122.00 for February 2026, and the Department determined that Petitioner was eligible for a maximum FAP benefit of \$94.00 each month thereafter. Petitioner is disputing her FAP benefit amount. Thus, the issue is whether the Department properly determined Petitioner's FAP benefit amount.

The Department determines a client's monthly FAP benefit amount by determining the client's group size and net household income and then looking that information up in its applicable Food Issuance Table. BEM 212 (June 1, 2025), BEM 213 (October 1, 2024), BEM 550 (April 1, 2025), BEM 554 (January 1, 2026), BEM 556 (November 1, 2025), RFT 255 (October 1, 2025), and RFT 260 (October 1, 2025).

Petitioner has a group size of one because she purchases and prepares her food separately. BEM 212 at 1. Petitioner's income is her gross RSDI benefit of REDACTED per month. Petitioner's expenses consist of her housing costs of \$822.32 per month, utilities (including heating/cooling), her Medicare Part B premium of \$202.90 per month, and other various medical expenses.

Medical expenses of a senior or disabled FAP client that exceed \$35.00 per month must be considered when determining FAP eligibility. BEM 554 at 9. The Department must estimate the FAP client's medical expenses for the benefit period to determine the FAP client's allowable medical expenses. Allowable medical expenses are those expenses that are verified by the FAP client, non-reimbursable by insurance, and current. *Id.* at 13. A medical expense does not have to be paid to be allowable. *Id.* A medical expense

should be budgeted for the month that it was currently incurred or currently billed, whichever occurs first. *Id.* A medical expense that is overdue is not allowable. *Id.*

Petitioner provided numerous medical receipts with her redetermination on December 23, 2025. Petitioner's medical receipts were from May 22, 2025, to December 4, 2025. A medical expense must be current to be allowable, and many of Petitioner's medical expenses were not current because they were incurred or billed more than 30 days prior to the date Petitioner provided them to the Department. Thus, the Department could not consider the medical expenses that were incurred or billed more than 30 days prior to December 23, 2025. That means that the following medical expenses were the only allowable medical expenses that Petitioner verified:

- November 24, 2025, receipt from REDACTED for \$15.00
- November 26, 2025, receipt from REDACTED for \$35.68
- December 1, 2025, receipt from REDACTED for \$37.50
- December 4, 2025, receipt from REDACTED for \$98.75
- December 4, 2025, receipt from REDACTED for \$1.25

The total of Petitioner's verified allowable medical expenses was \$188.18. Additionally, Petitioner's Medicare Part B premium of \$202.90 was an allowable medical expense. Thus, Petitioner's total allowable medical expenses for February 2026 were \$391.08. Petitioner's verified allowable medical expenses exceeded \$35.00 by \$356.00. Accordingly, Petitioner was eligible for a medical expense deduction of \$356.00 for February 2026.

Based on Petitioner's unearned income of REDACTED per month, Petitioner's medical expense deduction of \$356.00, Petitioner's housing costs of \$822.32 per month, and Petitioner's obligation to pay her heating/cooling utilities, Petitioner's net income was REDACTED for February 2026. Based on Petitioner's net income of REDACTED and Petitioner's group size of one, the maximum FAP benefit amount that Petitioner was eligible for was \$179.00 for February 2026. The Department did not properly determine Petitioner's FAP eligibility for February 2026 because the Department determined that Petitioner was only eligible for a maximum FAP benefit of \$122.00.

For the months after February 2026, the Department properly determined that Petitioner was eligible for a maximum FAP benefit of \$94.00 per month. Petitioner is only eligible for a medical expense deduction of \$168.00 per month beginning March 2026 because Petitioner's only verified ongoing medical expense is Petitioner's Medicare Part B premium of \$202.90 per month, and Petitioner's Medicare Part B premium exceeds \$35.00 by \$168.00. Based on Petitioner's unearned income of REDACTED per month, Petitioner's medical expense deduction of \$168.00, Petitioner's housing costs of \$822.32 per month, and Petitioner's obligation to pay her heating/cooling utilities, Petitioner's net income is REDACTED per month. Based on Petitioner's net income of \$677.00 per month and Petitioner's group size of one, the maximum FAP benefit amount that Petitioner is eligible for is \$94.00 per month.

Although Petitioner may have additional expenses and Petitioner may not have a net income of REDACTED per month to live on, the Department properly used the maximum deductions and standards that it was permitted to use to calculate Petitioner's FAP benefit amount, and the Department properly determined the maximum FAP benefit amount that Petitioner was eligible for. Petitioner may increase her FAP benefit amount by reporting her current medical expenses to the Department. It is Petitioner's responsibility to provide the Department with verification of her current medical expenses.

MEDICAID

Medicaid is known as Medical Assistance (MA). The 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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, the Department determined that Petitioner was ineligible for Medicare Savings Program coverage because Petitioner's income exceeded the applicable limit. Petitioner is disputing the Department's decision to find her ineligible for Medicare Savings Program coverage. Thus, the issue here is whether the Department properly determined that Petitioner was ineligible for Medicare Savings Program coverage.

Medicare Savings Program coverage is a type of Medicaid that helps pay costs that are not covered by Medicare. There are three basic types of Medicare Savings Program coverage: QMB, SLMB, and ALMB. BEM 165 (July 1, 2024), p. 1. QMB pays for Medicare premiums, Medicare coinsurances, and Medicare deductibles. *Id.* at 2. SLMB only pays Medicare Part B premiums. *Id.* ALMB only pays Medicare Part B premiums if there is sufficient funding available. *Id.* Thus, QMB is the best coverage, SLMB is the next best coverage, and ALMB is the lowest level of coverage.

The type of Medicare Savings Program coverage a client is eligible for is determined based on income. The income limit for QMB is 100% of the Federal Poverty Level (FPL). *Id.* at 1. The income limit for SLMB is 120% of the FPL. *Id.* The income limit for ALMB is 135% of the FPL. For Medicare Savings Program coverage, the client's group size consists of the client and the client's spouse. BEM 211 (December 1, 2025), p. 8. In this case, Petitioner's group size is one because Petitioner does not have a spouse. The FPL for a group size of one in 2026 is \$15,960.00. 91 FR 1798 (January 15, 2026). The applicable FPL is equal to a monthly income of \$1,330.00.

When group members receive income from Social Security RSDI, the gross amount received from Social Security RSDI is countable. BEM 503 (October 1, 2025), p. 31. However, \$20.00 is disregarded from unearned income such as Social Security RSDI income. BEM 541 (January 1, 2026), p. 3. In this case, Petitioner receives REDACTED per month from Social Security RSDI. After the \$20.00 disregard, the countable amount of her Social Security RSDI is REDACTED per month. Petitioner's countable income of

REDACTED per month is 137% of the FPL. Thus, the Department properly determined that Petitioner is ineligible for any Medicare Savings Program coverage.

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 (1) the Department did not act in accordance with its policies and the applicable law when it determined Petitioner's FAP benefit amount for February 2026, (2) the Department acted in accordance with its policies and the applicable law when it determined Petitioner's FAP benefit amount effective March 1, 2026, and (3) the Department acted in accordance with its policies and the applicable law when it determined Petitioner's Medicare Savings Program eligibility.

IT IS ORDERED that the Department's decision is **AFFIRMED IN PART and REVERSED IN PART**. The Department's decision to find Petitioner eligible for a maximum FAP benefit amount of \$94.00 per month, effective March 1, 2026, is affirmed. The Department's decision to find Petitioner ineligible for Medicare Savings Program coverage is affirmed. The Department's decision to find Petitioner eligible for a maximum FAP benefit amount of \$122.00 for February 2026 is reversed.

IT IS FURTHER ORDERED that the Department must find Petitioner eligible for a maximum FAP benefit amount of \$179.00 for February 2026 consistent with this decision. The Department must issue a supplement to Petitioner to ensure that Petitioner receives the FAP benefit she was eligible to receive for February 2026.

The Department must begin to implement this order within 10 days of the mailing date of this hearing decision.