

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL
BY THE COMMISSIONER OF HEALTH AND SOCIAL SERVICES**

In the Matter of)
)
 E N) OAH No. 15-0505-SNA
) Division No.
 _____)

DECISION

I. Introduction

E N receives Food Stamp (also referred to as Supplemental Nutrition Assistance Program) benefits. The Division of Public Assistance (Division) lowered his monthly benefit amount to \$35 effective April 2015.¹ Mr. N requested a hearing.

Mr. N's hearing was held on May 14 and 26, 2015. Mr. N represented himself and testified on his own behalf. Jeff Miller, Public Assistance Analyst with the Division, represented the Division.

Mr. N had a decrease in his housing costs. Although Mr. N argued that he had an actual increase in his mortgage due to a health related modification to his home, the increase in his mortgage is not properly treated as a health expense because it was for physical modifications to the home, and does not fall within allowable medical costs. Then, because Mr. N's mortgage is subsidized, as a result of that subsidy, his overall housing costs decreased despite the increase in his gross mortgage amount. This caused a reduction in the amount of Food Stamp benefits he was entitled to receive. Accordingly, the Division correctly calculated his benefit amount; the reduction in his Food Stamp benefit amount is AFFIRMED.

II. Facts

Mr. N applied to renew his Food Stamp benefits for his one person household on November 3, 2014.² He has a total household monthly income of \$1,115, which is a combination of Adult Public Assistance income, Social Security Disability income, and Supplemental Social Security income.³ Mr. N's mortgage was originally \$761.62. In 2014, he had a new heating system installed in his home, for health reasons, which increased his mortgage amount by \$76.06, to \$837.68.⁴ Beginning in August 2014, Mr. N's total mortgage payment was

¹ Ex. 4.
² Ex. 1.
³ Ex. 2.
⁴ Exs. 5 – 5.3.

\$837.68, of which \$460 was paid by AHFC. However, the portion paid by AHFC increased to \$526 as of January 2015.⁵ His out of pocket mortgage payment, beginning in January 2015, is therefore \$311.68.

Mr. N notified the Division of the new heating system, the increase in his mortgage, and the amount of his mortgage subsidy as part of Food Stamp renewal process. Based upon that information, the Division calculated his benefit amount should be \$35.⁶ The Division then notified Mr. N that his Food Stamp benefit amount would change to \$35 beginning with the April 2015 payment.⁷

III. Discussion

Food Stamps is a federal program administered by the State.⁸ In Alaska, the Division follows the rules contained in the Code of Federal Regulations (C.F.R.) when determining both Food Stamp eligibility and benefit amounts.⁹

Food Stamp benefit calculations begin with a household's gross monthly income, both earned income and unearned income, such as unemployment.¹⁰ The next step is to subtract the standard deduction, which is \$266 for a household of 5 persons or less.¹¹

After subtracting the standard deduction, a medical expense deduction is available for disabled persons. That medical expense deduction is only available for that portion of a person's medical expenses that exceed \$35, which are for prescribed medications, medical care costs (doctor's appointments, hospitalization, etc.), insurance costs, prescribed medical supplies and equipment. The list of available medical deductions does not include environmental modifications to a person's home.¹² After the income and medical expense deductions are taken from the household's gross monthly income, the household's "shelter expenses" (rent/mortgage and utilities) are taken into account. A standard utility deduction of \$322 is used for a household that uses heating fuel.¹³ After applying the "shelter expenses" deduction, the result is the household's net income.

⁵ Exs. 2.1 – 2.3.

⁶ Exs. 2, 12 – 12.1.

⁷ Ex. 4.

⁸ 7 C.F.R. § 271.4(a).

⁹ 7 AAC 46.010.

¹⁰ 7 C.F.R. § 273.9(b).

¹¹ *Alaska Food Stamp Manual Addendum 4.*

¹² *See* 7 C.F.R. § 273.9(d)(3).

¹³ 7 C.F.R. § 273.9(d)(6); 7 AAC 46.021(a)(23); *Alaska Food Stamp Manual Addendum 5.*

The final step in the Food Stamp benefit calculation process is to subtract 30 percent of the household's net income from the maximum Food Stamp benefit for the household size. The result is the household's Food Stamp benefit.¹⁴

The legal issue in this case is whether the Division correctly counted the increase to Mr. N's mortgage of \$76.06, due to his heating system upgrade, as part of his mortgage rather than as a separate medical expense deduction. Although it was necessary for Mr. N's health, it was an upgrade to the physical structure of his home. It was not medical equipment. As such, it does not fall within the list of allowable medical deductions. It should also be noted that Mr. N's mortgage subsidy amount increased from \$460 to \$526, which resulted in his actual out-of-pocket mortgage expense being reduced to \$311.06.

The Division has met its burden of proof in this case. Mr. N's Food Stamp benefits were properly calculated based upon Mr. N's income and his shelter costs.¹⁵

IV. Conclusion

The Division's reduction in Mr. N's Food Stamp benefit amount is upheld.

DATED this 2nd day of June, 2015.

Signed

Lawrence A. Pederson
Administrative Law Judge

Adoption

The undersigned, by delegation from the Commissioner of Health and Social Services, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 15th day of June, 2015.

By: *Signed*

Name: Lawrence A. Pederson
Title/Agency: Admin. Law Judge, DOA/OAH

[This document has been modified to conform to the technical standards for publication.]

¹⁴ 7 C.F.R. § 273.10(e)(1) and (2).

¹⁵ See Exs. 12 – 12.1 for a copy of the Food Stamp benefit calculations.