

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],  
Claimant

Reg. No: 2009-36365  
Issue No: 1018  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
October 15, 2009  
Gladwin County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on October 15, 2009. The claimant personally appeared and provided testimony.

ISSUE

Did the department properly terminate the claimant's Family Independence Program (FIP) benefits for excess income in August, 2009?

FINDINGS OF FACT

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

1. On March 23, 2009, the department received an application for cash assistance and medical assistance for the claimant and the child she had guardianship of. (Department Exhibit 1 – 8).

2. On January 14, 2009, the claimant submitted an application for food assistance, medical assistance and cash assistance. (Department Exhibit 9 – 24).

3. The claimant was granted full guardianship of [REDACTED] on March 13, 2007. (Department Exhibit 25 - 27).

4. The claimant was approved to receive LIF MA, Food Assistance Program (FAP) benefits and Family Independence Program (FIP) benefits. (Department Exhibit 28, 29).

5. On June 1, 2009, the claimant began receiving RSDI benefits in the amount of \$944.40 per month. (Department Exhibit 33 – 35).

6. Once the claimant began receiving the RSDI income, it put her over income levels to receive FIP benefits. (Department Exhibit 38 – 39).

7. The claimant continued to receive FAP benefits, in the amount of \$142 monthly. (Department Exhibit 41 – 43).

8. [REDACTED] continued to receive full MA benefits. The claimant was placed on a deductible MA case, due to her RSDI income. (Department Exhibit 45 – 47).

9. The claimant was mailed a Notice of Case Action (DHS-1605) on June 24, 2009, notifying her that her FIP benefits had closed, that her FAP benefits were \$124 per month, and that Macario had full MA coverage and the claimant was placed on a deductible. (Department Exhibit 48 – 55).

10. The claimant submitted a hearing request on September 9, 2009.

#### CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (DHS or department) administers the

FIP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Department policy states:

**RETIREMENT, SURVIVORS, AND DISABILITY  
INSURANCE (RSDI) (AKA SOCIAL SECURITY  
BENEFITS)**

**All Programs**

RSDI is available to retired and disabled persons, their dependents, and survivors of deceased workers.

Count the gross benefit amount as unearned income. PEM, Item 500, p. 29.

It is noted, that during the hearing, the claimant indicated that she was not disputing the FAP benefits or the MA benefits. Although the claimant's hearing request indicated she wanted a hearing to address [REDACTED] food, cash and medical assistance benefits, the claimant testified that Macario was still covered for MA and that the family was currently receiving FAP benefits that she did not dispute. Thus, the only issue addressed in this decision is the FIP issue.

Department policy requires financial need to exist for FIP eligibility. Financial need exists when the group passes both the "deficit test" and the "child support income test". The child support income test is not applicable in this case because the claimant does not receive child support. For the deficit test, Bridges (computer system) subtracts budgetable income from the group's payment standard for a benefit month. If there is at least a \$1 deficit after the income is budgeted, the FIP group meets the deficit test. BAM 518.

In this case, the claimant's budgetable income is \$944. The FIP payment standard for the claimant's group is \$403. Thus, there is no income deficit when the budgetable income is subtracted from the payment standard. This is why the claimant was determined to be excess income for FIP when she began receiving her RSDI.

The claimant testified that she is not disputing her termination of FIP benefits. The claimant indicates that she feels the department should have placed [REDACTED] on his own FIP case with her as an ineligible grantee. BAM 210. However, the claimant had applied for FIP benefits for both herself and [REDACTED]. The department could not remove the claimant from the case unless she requested herself to be taken out of the program group. There is no policy requirement for the department to notify the claimant that [REDACTED] could reapply for FIP benefits with the claimant as an ineligible grantee. All Department of Human Services policies are on the department's website and are capable of being accessed by any person. The claimant could have reviewed department policy or called the department if she had further questions about what benefits were available.

The claimant and department testified that the claimant did reapply for FIP for [REDACTED] on September 9, 2009, with the claimant as an ineligible grantee. This was approved and [REDACTED] is receiving FIP benefits.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly found the claimant to be excess income to receive FIP benefits in August, 2009 and had no affirmative duty to switch the claimant to an ineligible grantee FIP program.

Accordingly, the department's actions are UPHeld. SO ORDERED.

/s/  
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Suzanne L. Keegstra  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: January 12, 2010

Date Mailed: January 19, 2010

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

SLK 

cc: 