

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: 2009-27349  
Issue No: 2013; 3002; 3003; 6019  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
July 30, 2009  
Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

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 hearing was held on July 30, 2009.

ISSUES

- (1) Was the claimant's FAP allotment properly cut off?
- (2) Was the claimant's MA eligibility properly determined?
- (3) Were the claimant's CDC benefits properly cut off?

FINDINGS OF FACT

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

- (1) Claimant applied for Food Assistance Program (FAP) benefits, Medicaid (MA) benefits and CDC benefits on 3-20-09.

(2) When the claimant's application was completed, a caseworker at DHS approved claimant for all CDC and FAP; MA was not processed.

(3) A new caseworker processed the MA application, but discovered that the previous caseworker had allocated the claimant's husband's hours worked as earned income, instead of the actual earned income amount.

(4) This resulted in the group earned income amount being undervalued in places by as much as \$2,000.

(5) Claimant's FAP budget was re-run and it was subsequently determined that claimant was not eligible for FAP; claimant's husband's income by itself at the time was more than the gross income limit for FAP.

(6) Claimant's CDC benefits were also determined to have been awarded in error, for the same reasons.

(7) Claimant's Medicaid application was approved, but with a large deductible; claimant's children were removed from the Healthy Kids program, and re-opened with a deductible.

(8) On 6-9-09, the Department pended the CDC and FAP cases to close, citing agency error, and claimant's MA eligibility to be reopened with a deductible case.

(9) Claimant filed for hearing on 6-18-09, alleging that DHS incorrectly computed the budget, and therefore, allocated the wrong amount of FAP, CDC and MA benefits.

#### CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of

Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The Child Development and Care program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are contained in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

When determining eligibility for FAP benefits, the household's total income must be evaluated. All earned and unearned income of each household member must be included unless specifically excluded. PEM, Item 500. A standard deduction from income of \$135 is allowed for each household. Certain non-reimbursable medical expenses above \$35 a month may be deducted for senior/disabled/veteran group members. Another deduction from income is provided if monthly shelter costs are in excess of 50% of the household's income after all of the

other deductions have been allowed, up to a maximum of \$300 for non-senior/disabled/veteran households. PEM, Items 500 and 554; RFT 255; 7 CFR 273.2.

In this case, the Administrative Law Judge has reviewed the FAP budget and finds that the department properly computed the claimant's gross income after spotting their error. The gross earned income of \$4,360 is correct and must be counted. PEM 500. These amounts were verified by the claimant and by Department Exhibit 3, 7, and 8. The federal regulations at 7 CFR 273.10 provide standards for the amount of a household's benefits. The department in compliance with the federal regulations has prepared issuance tables which are set forth at Program Reference Manual, Table 260. The issuance table provides that a household with household size and net income of the claimant is not eligible for an FAP allotment. The Administrative Law Judge has reviewed the budget and found no errors. Claimant argued that her income from her job was not added correctly, and is roughly \$100 lower than the amount considered. While the Administrative Law Judge finds the claimant credible, the truth is that, even assuming that claimant's income is what she says it is, it would not affect the outcome; claimant would still be over the gross income limit for FAP. Any error in the Department's calculations would thus be considered harmless. Therefore, the undersigned finds that the FAP allotment was computed correctly.

With regard to the CDC benefits, the Administrative Law Judge must reach a similar conclusion. Claimant's total household earned income is \$4,360. The gross income limit for this program is \$2,367. Claimant is thus ineligible for CDC.

With regard to claimant's MA, the Administrative Law Judge has reviewed the budget and could find no errors. The Department's actions were therefore correct.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to cut off claimant's CDC and FAP allotments was correct. The Department's action with regard to the Medicaid program eligibility was also correct.

Accordingly, the Department's decision is AFFIRMED.

/s/ \_\_\_\_\_  
Robert J. Chavez  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: August 4, 2009

Date Mailed: August 5, 2009

**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 receipt 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.

RJC/cv

cc:

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