

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: 2009-6074  
Issue No: 2001; 4013  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
October 1, 2009  
Eaton County DHS

ADMINISTRATIVE LAW JUDGE: Janice Spodarek

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's 10/27/08 request for a hearing. After due notice, a telephone conference evidentiary hearing was held on October 1, 2009.

ISSUE

Did the Department of Human Services (DHS) properly propose to close claimant's Adult Medical Program (AMP) and State Disability Assistance (SDA) on the grounds of excess income?

FINDINGS OF FACT

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

- (1) Prior to the proposed negative action herein, claimant was an active AMP and SDA recipient and a general welfare beneficiary with the Michigan DHS.
- (2) Claimant's SDA was scheduled for review in November, 2008.

(3) On 10/16/08, the DHS issued a verification checklist with necessary updated verifications. Claimant returned forms indicating that she began working in October, 2008.

(4) A pay stub provided by claimant for a pay period ending 9/30/2008 indicates year-to-date wages from that employer totaling \$1,804.

(5) The DHS ran an SDA budget showing budgetable income on line C12 of \$528. The payment standard listed on line D1 is \$269. Claimant had a D3 deficit of \$0. Exhibits 5 and 6.

(6) The department ran a new AMP budget showing net income of \$480, line 6. The AMP limit on line 7 is \$298. Exhibit 9.

(7) The department used the pay check stub delivered by claimant as verification along with claimant's representations as to the hours she works on average. The department budgeted claimant's hours at 28 hours per week, at \$8.00 per hour.

(8) Claimant argued at the administrative hearing that she actually worked less than 28 hours. Evidence at the administrative hearing by way of subsequent paycheck stubs in fact shows that claimant averaged more than 28 hours per week.

(9) On 10/27/08, the DHS issued notice to claimant of proposed closure effective 10/8/2008 for the AMP program due to excess income. Exhibit 8.

(10) On 10/27/08, the DHS issued a client notice of proposed closure of claimant's SDA on the grounds of excess income. Exhibit 5.

(11) On 11/3/08, claimant filed a timely hearing request. The department reinstated both actions pending the outcome of the administrative hearing.

#### CONCLUSIONS OF LAW

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or

department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The Adult Medical Program (AMP) is established by Title XXI of the Social Security Act; (1115)(a)(1) of the Social Security Act, and is administered by the Department of Human Services (DHS or department) pursuant to MCL 400.10, *et seq.* Department policies are contained in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The department is under strict federal law and state policy requirements to ensure that all individuals receiving welfare benefits have proper verifications contained in the file to document eligibility. As claimant began working, the department was required to obtain all necessary verification(s) to document claimant's eligibility.

General verification policy and procedure is found in numerous items, including BAM Items 105, 110 and 130. Applicable to the case herein, the department is allowed to use the best available information. Claimant represented to the department that she was working approximately 28 hours per week. At the administrative hearing, claimant argued that she in fact was not. However, upon inquiry based upon other verification(s), claimant's actual hours in fact exceeded the 28 hours per week used by the department.

SDA policy is found in BEM Item 261.

General income policy and procedure is found in BEM Item 500.

The AMP program is discussed in BEM Item 640. General policy and procedure regarding redeterminations can be found in BAM Item 210.

After careful review of the substantial and credible evidence on the whole record, this Administrative Law Judge finds that the department correctly proposes to close claimant's SDA

and AMP on the grounds of excess income. A review of the budgets does not show any inconsistencies or problems in the calculations. Claimant did not dispute the calculations in the budgets. Claimant did dispute the hours used to calculate eligibility. However, upon inquiry, the testimony and information on the record in fact shows that claimant actually works more than the amount of hours calculated by the department. As such, the department's budgets were correct, and, were in claimant's favor.

As these budgets were correct under policy and procedure, the calculations must be upheld and the department's proposed closure must be held.

It is noted that claimant may have eligibility for MA under a deductible case. The department is instructed to assess any possible MA deductible eligibility claimant may have under DHS policy and procedure.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's proposed closures were correct.

Accordingly, the department's proposed closure on the basis of excess income is hereby UPHELD.

/s/ \_\_\_\_\_  
Janice Spodarek  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: October 8, 2009

Date Mailed: October 12, 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 mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the mailing date of the rehearing decision.

JS/cv

cc:

