

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: 2010-14732  
Issue No: 2001; 3003  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
March 18, 2010  
Shiawassee County DHS

ADMINISTRATIVE LAW JUDGE: Landis Y. Lain

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 March 18, 2010. Claimant personally appeared and testified.

ISSUES

- (1) Did the Department of Human Services (the department) properly deny claimant's application for the Adult Medical Program (AMP)?
- (2) Did the Department of Human Services (the department) properly determine that claimant was entitled to receive [REDACTED] per month in Food Assistance Program benefits?

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 was an Adult Medical Program and Food Assistance Program benefit recipient.

(2) On November 16, 2009, the department caseworker sent claimant a redetermination form and set up an interview for December 1, 2009.

(3) The department determined that claimant was receiving Unemployment Compensation Benefits in the monthly amount of \$ [REDACTED]

(4) The department determined that claimant had excess income for purposes of the Adult Medical Program and that claimant should be receiving Food Assistance Program benefits in the amount of [REDACTED] per month, which was a reduced amount.

(5) On December 17, 2009, the department caseworker sent claimant notice that his Adult Medical Program case would be cancelled effective December 17, 2009; and his Food Assistance Program benefits would be reduced to \$ [REDACTED] per month based upon his income.

(6) On December 23, 2009, claimant filed a request for a hearing to contest the department's negative action.

#### CONCLUSIONS OF LAW

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).

Based upon claimant's age and the fact that he has no minor children and he is not considered disabled, the Adult Medical Program (AMP) is the only form of Medical Assistance (MA) available through the Department of Human Services. Even if the enrollment period were open, claimant was receiving Unemployment Compensation Benefits and exceeds the income level for the program. Program Reference Manual, RFT, Item 236, indicates that a person in claimant's circumstances has an income limit of \$316.00 per month for purposes of AMP

eligibility. The Adult Medical Program budget (Department Exhibits 1 and 2) indicates that claimant was receiving \$ [REDACTED] per week in Unemployment Compensation Benefits, for a total monthly unearned income of \$ [REDACTED]. Claimant had a net earned income of \$ [REDACTED] because he did not have to pay child or spousal support and, therefore, a net income of \$ [REDACTED] per month. The AMP income limit is \$ [REDACTED] and therefore, claimant does not meet the income standards for Adult Medical Program eligibility.

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).

When determining eligibility for Food Assistance Program (FAP) benefits in accordance with department policy, the total income of each household member must be evaluated. All earned and unearned income of each household member must be included, unless specifically excluded. BEM, Item 500. The Food Assistance Program (FAP) provides a deduction from unearned income in the amount of \$ [REDACTED]. The department determined claimant's net unearned income to be \$ [REDACTED] per month. This Administrative Law Judge has checked the exhibits and does not understand where the department determined that claimant was receiving \$ [REDACTED] per month in unearned income. The documents in the file indicate that claimant was receiving \$ [REDACTED] per week in Unemployment Compensation Benefits, which when totaled by a 4.3 multiplier, equals \$ [REDACTED] per month in unearned income.

In this case, the Administrative Law Judge has reviewed the FAP budget and does not understand how the department determined that claimant was receiving \$ [REDACTED] per month in gross unearned income when the Unemployment Compensation Benefits equal \$ [REDACTED] per month if the actual income is counted, or \$ [REDACTED] per month if calculated with the 4.3 prospective income budgeting standard. Therefore, the department should make a new determination of claimant's eligibility for Food Assistance Program benefits because the Administrative Law Judge is unable to determine where the department got the gross unearned income information.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department has established by the necessary competent, material and substantial evidence on the record that it was acting in compliance with department policy when it denied claimant's continued application for the Adult Medical Program because claimant had excess income for purposes of the Adult Medical Program.

Accordingly, the department's decision in regards to the Adult Medical Program is hereby AFFIRMED.

The Administrative Law Judge also determined that the Department of Human Services has not established by the necessary competent, material and substantial evidence on the record that it was acting in compliance with department policy when it determined that claimant received \$ [REDACTED] per month in unearned income. This Administrative Law Judge calculated the unearned income per month and determined that claimant was receiving \$ [REDACTED] per week in Unemployment Compensation Benefits, which would equal \$ [REDACTED] per month in actual unearned income, or \$ [REDACTED] in prospective unearned income when multiplied by 4.3.

Accordingly, the department's decision is REVERSED. It is ORDERED that the claimant's Food Assistance Program benefit application of November 16, 2009 should be reinstated. The department shall make a new assessment of claimant's unearned income and why it made its determination, and if claimant is otherwise eligible, the department shall pay to claimant any Food Assistance Program benefits to which the claimant is entitled. The department shall notify claimant in writing of how it arrived at its determination.

Adm  
Departm

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/s/  
Landis Y. Lain  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: June 04, 2010

Date Mailed: June 7, 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.

LYL/cv

cc:

