

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: 201015203

Issue No: 2013, 2003

Case No:

Load No:

Hearing Date:

February 17, 2010

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Jeanne M. VanderHeide

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on February 17, 2010. The Claimant appeared and testified. Mary Thoma, FIS and Diane Pruitt, FIM, appeared on behalf of the Department.

ISSUE

Whether the Department properly denied the Claimant Medical Assistance Program ("MA-P"), Food Assistance Program ("FAP") and Family Independence Program ("FIP") benefits based on excess income.

FINDINGS OF FACT

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

1. Claimant applied for FAP, FIP and MA benefits on 12/9/09.

2. A MA – LIF budget was completed on 1/6/10 which revealed that the household income exceeds the budgetary needs test. MA benefits were denied on December, 11, 2009. (Exhibit 2, p. 1).
3. A FAP budget was completed on 1/6/10 which revealed a net benefit of \$0. Claimant was, therefore, denied FAP benefits on December 11, 2009. (Exhibit 3).
4. The Claimant testified that she and her husband both receive \$362.00/month in unemployment compensation benefits.
5. The Claimant testified that there are three people in her group.
6. Claimant requested a hearing contesting the department’s determination on December 21, 2009.

CONCLUSIONS OF LAW

A. FIP/MA

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 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 Bridges Administrative Manual (“BAM”), the Bridges Eligibility Manual (“BEM”), and the Reference Tables (“RFT”).

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, formally known as the Family Independence Agency, administers the MA program pursuant to MCL 400.10, *et seq* and MCL 400.105. Department

policies are found in the Bridges Administrative Manual (“BAM”), the Bridges Eligibility Manual (“BEM”), and the Reference Tables (“RFT”).

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105, p. 1. Medicaid is also known as Medical Assistance (“MA”). *Id.* The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. *Id.* Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP related or SSI related. *Id.* To receive MA under an SSI related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP related categories. *Id.* However, a group must qualify for FIP in order to qualify for FIP related MA.

To qualify for FIP, a group must be in financial need to receive benefits. Need is determined to exist when budgetable income is less than the payment standard established by the department. Program, living arrangement, grantee status and eligible group size are variables that affect the payment standard. BEM 515, p. 1. Specifically, Financial need exists when the eligible group passes both the “Deficit Test” and the “Child Support Income Test.” To perform the deficit test, subtract the program group’s budgetable income from the eligible group’s payment standard (BEM 515) for the benefit month. To meet the child support income test, the FIP group’s countable income plus the amount of certified support (or amount of support to be certified) must be less than the eligible group’s payment standard. BEM 518, RFT 210.

The payment standard for a group of three is \$492.00. In the subject case, Claimant’s group has \$3,137.00 per month in unearned income (\$362 UCB x 2 x 52 weeks/12 months).

Claimant's income, under either the "Deficit Test" or the "Child Support Income Test" is over \$492.00 per month. Accordingly, Claimant does not qualify for FIP and therefore, does not qualify for FIP based MA.

Clients can also qualify for MA benefits under Low Income Families ("LIF") if the household income is under a certain amount. BEM 110. The income limit for a family of three is \$519.00 (RFT 243). Accordingly, neither Claimant, nor her husband, qualifies for LIF benefits.

B. FAP

The Food Assistance Program, 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"), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et. seq.* and MAC R 400.3001-3015. Departmental policies are found in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Program Reference Manual ("PRM").

The federal regulations define household income to include all earned income. 7 CFR 273.9(b). All monthly income must be converted to a nonfluctuating monthly amount. Only 80% of earned income is counted in determining FAP benefits. BEM 550. Under 7 CFR 273.9, as amended, \$163.00 is deducted from the gross income of FAP recipients in determining FAP grants. A non-categorically eligible Senior/Disabled/Veteran (SDV) FAP group must have income below the net income limits. BEM 550.

In the present case, according to the aforementioned policy on budgeting, for the 1/3/09 budget, Claimant's group had a net monthly gross income of \$3137.00 from the unemployment compensation. As a result, Claimant's group income is over the simplified income reporting

limits of \$1,984.00 per month for a group size of three people. RFT 250. Therefore, Claimant does not qualify for FAP benefits.

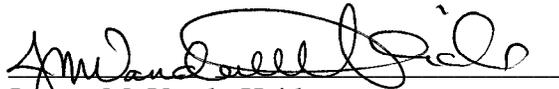
Although the Claimant believed she was eligible for FAP benefits, the Claimant did not disagree with the earnings used to calculate her eligibility. The Department established that it acted in accordance with departmental policy in determining the Claimant's FAP denial effective 12/11/09. Accordingly, the Department's FAP denial was correct.

It is found that the Department's determination is AFFIRMED.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department acted in accordance with department policy when it denied Claimant FIP, MA and FAP benefits for excess income on 12/11/09.

Accordingly, it is ordered that the Department's determination to deny FIP, MA and FAP benefits is AFFIRMED.



Jeanne M. VanderHeide
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 03/10/10

Date Mailed: 03/11/10

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.

2010-15203/JV

JV/dj

cc:

