

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.: 2010-32323  
Issue No.: 2001/3002  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
June 14, 2010  
Wayne County DHS (49)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 conducted from Detroit, Michigan on June 14, 2010. Claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

1. Whether DHS properly terminated Claimant's AMP (Adult Medical Program) coverage due to a finding that Claimant had private medical coverage during his AMP certification period.
2. Whether DHS properly calculated Claimant's Food Assistance program (FAP) benefits due to increased income by Claimant.

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 ongoing AMP and FAP recipient.

2. Claimant became employed in 1/2010.
3. Claimant received private medical coverage as part of his new employment.
4. Claimant lost his employment in 2/2010.
5. Claimant did not report receiving private medical coverage to DHS.
6. In 4/2010, DHS discovered that Claimant had received medical coverage during his AMP benefit period.
7. In 4/2010, DHS terminated Claimant's AMP coverage due to Claimant receiving private insurance during his benefit period.
8. Claimant began receiving unemployment benefits of \$153/week in 4/2010.
9. DHS began budgeting Claimant's unemployment benefits to be effective for FAP benefit month 5/2010.
10. Claimant's 5/2010 FAP benefits were reduced to \$130/month due to the unemployment income.
11. Claimant submitted a hearing request on 4/22/10 regarding the closure of AMP and reduction in FAP benefits.

#### CONCLUSIONS OF LAW

##### **Food Assistance Program**

The Food Assistance Program (formerly known as the Food Stamp 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 (formerly known as the Family Independence Agency) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are

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

Claimant disputed a FAP benefit reduction from \$200/month to \$130/month beginning 5/2010. Claimant is part of a one person FAP benefit group. Claimant is not a senior, disabled person or disabled veteran.

Claimant began receiving unemployment benefits in 3/2010. Claimant received \$356/2 weeks. \$50/2 weeks of Claimant's income is from the Recovery and Reinvestment Act. Per Bridges Policy Bulletin 2010-008, DHS disregards the \$50/2 week payment in calculating Claimant's monthly income.

DHS converts a client's biweekly income into a monthly amount by multiplying the countable gross biweekly amount by 2.15. BEM 505 at 5. Claimant's converted monthly income is found to be \$657/month, the same as calculated by DHS.

Claimant received a standard deduction as a one person group of \$132. RFT 255. The standard deduction is subtracted from the monthly income to calculate adjusted gross income. The adjusted gross income amount is found to be \$525, the same as calculated by DHS.

Claimant pays \$300 in rent and all utilities are included. Even though Claimant's utilities are included in his rent, Claimant is entitled to receive the full heat utility standard. Per Bridges Policy Bulletin 2010-008, all FAP recipients, regardless of their actual utility obligations, receive the full \$555 heat utility standard in calculation of their FAP benefits.

Based on the submitted budget by DHS, Claimant was not given credit for having a \$300 rent obligation. DHS did not contend that Claimant was not entitled to the rent obligation. It is found that DHS failed to justify not crediting Claimant for his \$300 obligation in calculation of his FAP benefits.

No other errors were found in Claimant's FAP budget. Claimant's FAP benefits may increase if Claimant verifies his rental obligation. It is found that DHS must request verification for Claimant's rent to determine if Claimant is entitled to credit for the expense.

**Medical Assistance**

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 (formerly 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 Manual (RFT). AMP is a medical coverage that is covered by MA policy.

AMP eligibility is determined by financial and non-financial factors. A non-financial requirement is that persons with private health care coverage are not eligible for AMP services. BEM 640 at 2 and BEM 257 at 1.

There is no dispute that Claimant had private health care coverage through his brief employment in 1/2010 and 2/2010. When DHS terminated Claimant's AMP coverage in 4/2010, Claimant no longer had the private health care coverage. Claimant did not have health care coverage at the time DHS terminated Claimant's AMP benefits, however, Claimant should have reported the coverage when he had it. BEM 247 at 4. Had Claimant timely reported the coverage, Claimant's AMP would have closed in 2/2010. The undersigned is not inclined to interpret policy in favor of Claimant when the interpretation is only necessary due to Claimant's failure to report information. It is found that DHS properly terminated Claimant's AMP benefits due to Claimant's private health care coverage.

Claimant's proper recourse would have been to timely report his employment and to reapply for AMP benefits once his private medical coverage ended. The undersigned concedes that this recourse would have been futile as DHS has imposed a freeze on new enrollments for AMP. BEM 640 at 1. Also, DHS had no reason to consider Claimant's financial eligibility for AMP, however, Claimant may have also lost AMP eligibility due to excess income once his unemployment benefits began.

DECISION AND ORDER

The actions taken by DHS are REVERSED in part. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly calculated Claimant's FAP benefits beginning 5/1/10. It is ordered that DHS attempt to verify Claimant's rental obligation and accordingly adjust Claimant's FAP benefits beginning 5/1/10.

The actions taken by DHS are AFFIRMED in part. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's AMP benefits beginning 5/1/10 due to Claimant's private health care coverage during his AMP benefit period.



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Christian Gardocki  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 6/18/2010

Date Mailed: 6/18/2010

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 60 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.

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