

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No.: 201039581  
Issue No.: 2001; 3002  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: July 29, 2010  
Wayne County DHS (82)

**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 the claimant's request for a hearing. After due notice, a telephone hearing was held on July 29, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

**ISSUES**

1. Whether DHS properly terminated Claimant's Adult Medical program (AMP) benefits due to excess income.
2. Whether DHS properly calculated Claimant's Food Assistance Program (FAP) benefits effective 6/1/10.

**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 was part of a one person, non-senior, non-disabled, non-disabled veteran FAP group.
3. Claimant verified receiving biweekly gross employment income of \$715.50 on 3/9/10.
4. Claimant's 3/9/10 income is representative of Claimant's prospective biweekly employment income.

5. Claimant reported having a shelter obligation to DHS but did not submit documents verifying the obligation.
6. DHS approved Claimant for FAP benefits of \$16/month beginning with a benefit period of 6/1/10.
7. DHS terminated Claimant's AMP benefits effective 5/1/10 due to a freeze on new AMP enrollments.
8. Claimant submitted a hearing request on 6/8/10 disputing the termination of AMP benefits and the calculated amount of 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). Updates to policy are found in the Bridges Policy Bulletin (BPB).

Claimant's primary dispute about his FAP benefits was that \$16/month is an insufficient benefit amount. The undersigned lacks authority to consider what amount of FAP benefits is subjectively sufficient for Claimant. Whether \$16/month is the amount of FAP benefits to which Claimant is entitled is an appropriate issue for the undersigned.

Claimant lives with his mother. Claimant testified that he paid his mother a monthly rent. DHS indicated that Claimant was mailed verifications of rent but never verified his obligation. Client conceded never verifying his rental obligation. Shelter expenses must be verified at application or when a change is reported. BEM 554 at 11. It is found that DHS properly did not give Claimant credit for paying rent in evaluation of his FAP benefits due to Claimant's failure to verify the rental amount.

Claimant also testified that he was responsible for paying a monthly electric bill. DHS responded that Claimant never reported such an obligation and never budgeted one. All FAP cases are eligible for the heat utility standard. BPB 2010-008. Regardless of which utilities that a client pays, the heat utility standard is the maximum allowed by policy. It is found that DHS erred by not giving Claimant credit for the heat utility standard.

BEM 556 outlines the steps in the FAP benefit calculation. The first step in the process is calculating Claimant's monthly gross 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 \$1538/month, the same as calculated by DHS. DHS disregards 20% of a client's earned income to convert it into a monthly net amount. Claimant's monthly net income is found to be \$1230, the same as calculated by DHS.

Claimant received a standard deduction as a one person group of \$135. RFT 255. The standard deduction is subtracted from the monthly net income to calculate adjusted gross income. The adjusted gross income amount is found to be \$1095, the same as calculated by DHS.

As previously stated, Claimant is not entitled to a rent credit because he failed to verify the obligation. Claimant is entitled to the maximum heat utility standard of \$555. RFT 255. Claimant's total monthly shelter expense is \$555.

Claimant's excess shelter amount is \$8; the difference between Claimants' housing costs (\$555) and half of Claimant's adjusted gross income (\$547). The lesser of the excess shelter costs (\$8) or maximum shelter deduction (\$459) is to be subtracted from Claimant's adjusted gross income to determine Claimant's net income. In the present case, Claimant's net income is \$1087. Per RFT 260, the correct amount of FAP benefits for a FAP group of one person with a net income of \$1087 is \$16 per month, the same as calculated by DHS. It is found that DHS properly calculated Claimant's FAP benefits for 6/2010 to be \$16/month.

#### Adult Medical Program

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 (formerly known as the Family Independence Agency) pursuant to MCL 400.10, et seq.. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them. DHS offers many programs through which MA benefits may be obtained. AMP is one of the various MA programs offered by DHS.

In the present case, Claimant and DHS testified that Claimant had ongoing AMP benefits. DHS testified that Claimant's AMP benefits ended because Claimant's

employment income made Claimant over-income for AMP eligibility. The basis for AMP closure appeared to be a non-issue.

Following the hearing, DHS conceded that Claimant's AMP benefits closed due to a freeze in enrollments and was closed in error. DHS was unable to verify that Claimant's income was the reason for AMP closure. The DHS specialist also indicated that Claimant's AMP benefits would be reinstated.

It should be noted that based on Claimant's income, Claimant's AMP benefits probably could have been terminated due to excess income. After reinstating Claimant's AMP benefits, DHS may reconsider whether Claimant is income eligible. Thus, Claimant's AMP benefits may still be terminated after proper notice to Claimant is given. However, because the original DHS termination was not based on Claimant's income and was based on DHS error, the undersigned cannot uphold the original DHS decision concerning Claimant's AMP benefits.

### **DECISION AND ORDER**

The actions taken by DHS are partially AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly calculated Claimant's FAP benefits as \$16/month.

The actions taken by DHS are partially REVERSED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly terminated Claimant's AMP benefits. It is ordered that DHS reinstate Claimant's AMP benefits back to the closure date of 5/1/10.

/s/



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

Date Signed: August 5, 2010

Date Mailed: August 5, 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.

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