

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

██████████

Claimant

Reg. No.: 2010-7084
Issue No.: 3002/2014
Case No.: ██████████
Load No.: ██████████
Hearing Date:
March 31, 2010
Wayne County DHS (17)

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 conducted from Detroit, Michigan on March 31, 2010. The Claimant appeared and testified; ██████████ appeared as Claimant's hearing representative. On behalf of Department of Human Services (DHS), ██████████, Specialist, appeared and testified.

ISSUE

Whether DHS correctly included Claimant's insurance income in calculating Claimant's Food Assistance Program (FAP), Family Independence Program (FIP) and Medical Assistance (MA) 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 ongoing FAP, FIP and MA recipient.
2. Claimant received \$668/month in FAP benefits

3. Claimant received \$597/month in FIP benefits.
4. Claimant received full Medicaid coverage.
5. In 10/2009, Claimant reported receiving monthly insurance payments of \$1665.58. Exhibit 2 and 3.
6. DHS redetermined Claimant's 11/2009 FAP, FIP and MA benefits using the insurance payments as income.
7. The redetermination led to closure of Claimant's FIP and MA coverage without a deductible; Claimant's FAP benefits were unchanged.
8. Claimant submitted a hearing request on 10/26/09 regarding the changes.

CONCLUSIONS OF LAW

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 Reference Tables ("RFT").

The Family Independence Program 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 (formerly known as the Family Independence Agency) 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 Manual (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 (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).

Claimant only disputed whether the insurance payments should be budgeted as unearned income. If they should, Claimant concedes the actions of DHS are correct.

Claimant testified that the monthly payments from Great West Casualty Company were payments stemming from injuries caused by a vehicle accident. The insurance payments are not intended to be reimbursements for medical expenses.

Claimant's income is appropriately classified as sick and accident insurance payments. BEM 503 defines this income as one that "pays a flat-rate benefit due to illness or injury without regard to actual charges or expenses incurred." BEM 503 directs budgeting the gross amount of insurance payments for all types of assistance. It should be noted that insurance payments specifically paid as reimbursement for medical expenses are considered excluded income in BEM 503. There was no testimony indicating that Claimant's income was specifically intended as medical expense reimbursement. It is found that DHS correctly identified Claimant's income as a sick and accident insurance payment and correctly included the income in Claimant's FIP, MA and FAP budgets.

DECISION AND ORDER

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS correctly included Claimant's insurance income in Claimant's FAP, MA and FIP budgets for 11/2009.

Claimant indicated that the insurance income stopped in 12/2009. This decision does not apply to DHS actions taken after the 11/2009 redetermination of FAP, FIP and MA benefits.

Christian Gardocki

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

Date Signed: 4/8/2010

Date Mailed: 4/8/2010

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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