

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

IN THE MATTER OF:

[REDACTED]

[REDACTED]

ADMINISTRATIVE LAW JUDGE: [REDACTED]

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37, 7 CFR 273.16, MAC R 400.3130, and MAC R 400.3178 upon the Claimant's request for hearing. After due notice, a telephone conference hearing was held on [REDACTED]. The Claimant was present and testified.

ISSUE

1. Did the Department properly determine Claimant's Food Assistance Program (FAP) benefit?
2. Did the Department properly determine Claimant's eligibility for cash assistance?
3. Did the Department properly determine the Claimant's Adult Medical Program (AMP) benefit?

FINDINGS OF FACT

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

1. The Claimant submitted an application for FAP, Cash assistance, and AMP on [REDACTED].
2. The Claimant was sent a DHS 3503 Verification Checklist requesting proof of property taxes by [REDACTED]. (Department Exhibit 1 pg 14).
3. The Claimant did not provide the property tax information by [REDACTED].
4. The Department calculated the Claimant's FAP benefit using the information in the file in [REDACTED]. The Claimant was sent a Notice of Case Action indicating a FAP benefit in the amount of [REDACTED] (Department Exhibit 1 pg 10-11).

5. The Claimant submitted proof of payment of his property taxes in [REDACTED]. The Department recalculated the Claimant's FAP benefit beginning in [REDACTED] as [REDACTED]. (Department exhibit 1, pgs 15-16).
6. Claimant's household consists of the Claimant and his wife. He has no minor children.
7. Claimant is not disabled.
8. The Claimant was sent a Notice of Action reflecting the change in his FAP benefits beginning in [REDACTED]. (Department exhibit 1, pgs 15-16).
9. On [REDACTED], the Claimant submitted a Request for Hearing.

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901 - .951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1) An opportunity for a hearing shall be granted to an applicant who requests a hearing because of a denial. MAC R 400.903(2)

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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.

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 (DHS or department) 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.

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or department) administers the SDA program pursuant to MCL 400.10, et seq., and MAC R 400.3151-400.3180.

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 found in the Program Administrative Manual (BAM), the Program Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Department Policy states:

BEM 550 DEPARTMENT POLICY

This item applies **only** to **FAP**.

A non-categorically eligible Senior/Disabled/Veteran (SDV) FAP group must have income below the net income limits.

A non-categorically eligible, non-SDV FAP group must have income below the gross and net income limits.

Use **only** available, countable income to determine eligibility.

The BEM 500 series defines countable income. BEM 505 defines available income and income change processing.

This item describes income budgeting policy. **Always** calculate income on a calendar month basis to determine eligibility and benefit amounts. Use income from a month specified in this item for the benefit month being considered.

Budget the entire amount of earned and unearned countable income. Gross countable earned income is reduced by a 20% earned income deduction. Every case is allowed the standard deduction shown in RFT 255. Document income budgeting on either a manually-calculated or an automated FAP worksheet.

BEM 505 DEPARTMENT POLICY

DEFINITIONS All TOA

Income

Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if not paid directly such as income paid to a representative.

Countable Income Countable income is the amount remaining after applying policy in this and other income-related manual items. This is the amount used to determine eligibility and benefit level. Earned Income Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Some rental income is considered

earned; see BEM 504, Income from Rental/Room and Board. Unearned Income Unearned income is all income that is not earned. Gross Income Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives. (BEM 500).

BEM 212

Bridges will assist you in determining who must be included in the Food Assistance Program (FAP) group prior to evaluating the nonfinancial and financial eligibility of everyone in the group.

BEM 520 DEPARTMENT POLICY

FIP, RAPC and SDA Only

Financial eligibility is documented for each FIP/RAPC/SDA group in data collection and eligibility results in Bridges.

Documentation of financial eligibility is required at application; redetermination and when program policy requires a budget (see BEM 505, 515). Documentation must reflect the group's current financial eligibility

Status. The remainder of this item covers the completion of the DHS-1172 for the FIP, RAPC and SDA programs. The budget calculations are automatically completed as part of the eligibility determination and benefit calculation in Bridges and an automated budget worksheets are displayed in eligibility summary. In addition, hyperlinks can be used to view individual income and asset details. Bridges applies all of the following rules when computing a FIP/RAPC/ SDA budget:

- Drop cents before entering any amount used to compute the **grant** on the worksheet.
- If an entry on the worksheet is the result of a computation using other amounts that do not appear on the worksheet, cents are included in the computation and dropped from only the final result which is entered on the form.
- When the result of a computation is a negative number, a zero is entered on the worksheet.
- Cents amounts are included when computing recouped, vendored and benefit amounts.

- All amounts entered on the worksheet are monthly amounts unless otherwise specified in the instructions.
- Only countable, available income and assets, as defined in BEM 400, 500, 505 and 518, are entered on the worksheet.

BEM 214 DEPARTMENT PHILOSOPHY

Spouses are responsible for each other. Needy spouses living together are expected to share income, assets, and expenses.

DEPARTMENT POLICY

SDA and AMP

SDA is a cash program for individuals who are not eligible for FIP and are disabled or the caretaker of a disabled person. An SDA eligibility determination group (EDG) consists of either a single adult or adult and spouses living together. See BEM 261 for disability criteria.

BEM 261 DEPARTMENT POLICY

State Disability Assistance (SDA)

To receive SDA, a person must be disabled, caring for a disabled person, or age 65 or older.

DISABILITY A person is disabled for SDA purposes if he:

- Receives other specified disability-related benefits or services, see Other Benefits or Services below, or
- Resides in a qualified Special Living Arrangement facility, or
- Is certified as unable to work due to mental or physical disability for at least 90 days from the onset of the disability.
- Is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS), see Medical Certification of Disability

BEM 100 Program Goal

The Family Independence Program (FIP) provides financial assistance to families with children. The goal of FIP is to help maintain and strengthen family life for children and the parent(s) or other caretaker(s) with whom they are living, and to help the family attain or retain capability for maximum self support and personal independence.

BEM 640 ENROLLMENT FREEZE INSTRUCTIONS

Specialists must send or give the client a DHS-283, Adult Medical Program Eligibility Notice to inform them of the freeze. Applications received during the freeze on AMP enrollments must be registered and denied using "applicant did not meet other eligibility requirements" as the denial reason.

The Department is required to count the Claimant's total gross income in determining the Claimant's eligibility for FAP benefits. The Department is required to use the income for all members of the group. The group composition is determined by policy. In this case, the Claimant's wife is a household group member. The Claimant's household had earned income in the amount of [REDACTED]. The Department determines a FAP group's net income by deducting certain standard deductions. The Claimant's household had a standard deduction of [REDACTED]. Department policy also permits the deduction of certain expenses. These expenses include shelter expenses. The claimant had a housing expense of [REDACTED] and a heat and utility deduction of [REDACTED]. After calculating the standard deductions, the Claimant had a total net income properly calculated to be [REDACTED]. The federal regulations provide standards for income and the amount of household benefits. In accordance with federal regulations, the Department has prepared income and issuance tables which can be found at RFT 250 and 260. The issuance table provides that a group size of 2 with an income of [REDACTED] receives a FAP benefit in the amount of [REDACTED]. The Department properly determined the Claimant's benefit for [REDACTED]. The Claimant submitted proof of property taxes in [REDACTED]. Upon receipt of this information, the Department calculated a new FAP benefit beginning in [REDACTED]. As a result of the tax expenditure, the Claimant's net income was [REDACTED]. Based on the RFT 250 and 260, the Claimant's FAP benefit increased to [REDACTED] per month. Again, the Department properly determined the Claimant's FAP benefit.

The Claimant requested cash assistance. Cash assistance includes FIP and SDA. The Department determined that the Claimant was not eligible for cash assistance with either program. FIP requires that the household include minor children. BEM 100. The Claimant admits that he does not have any minor children as part of the household. Therefore, he is not eligible for FIP. In order to be eligible for SDA, the Claimant must have a disability as defined in BEM 261. The Claimant does not have any such disability. He had requested Social Security Insurance (SSI) but was determined to not be disabled. He does not reside in a Special Living Arrangement facility. As a result the Claimant is not eligible for any cash assistance.

The AMP program was frozen at the time of the Claimant's application. Therefore, he is not eligible for AMP assistance.

DECISION AND ORDER

This Administrative Law Judge, based upon the above findings and conclusion of law, decides that the Department correctly determined the Claimant's FAP, Cash assistance, and AMP benefits.

It is so ORDERED.

_____/s/ _____


Date Signed: 4/7/11

Date Mailed: 4/7/11

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.

