

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 20112651
Issue No: 1005,2006,3008,6015
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
November 18, 2010
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

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 hearing was held on November 18, 2010. Claimant appeared and testified.

ISSUES

Did the Department of Human Services properly deny Claimant's application for Family Independence Program (FIP) benefits due to failure to provide required income verifications?

Did the Department of Human Services properly deny Claimant's application for Medical Assistance (MA) benefits due to failure to provide required income verifications?

Did the Department of Human Services properly deny Claimant's application for Food Assistance Program (FAP) benefits due to failure to provide required income verifications?

Did the Department of Human Services properly deny Claimant's application for Child Development and Care (CDC) benefits due to failure to provide required income verifications?

FINDINGS OF FACT

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

- (1) On September 24, 2010 Claimant submitted an application for Family Independence Program (FIP), Medical Assistance (MA), Food Assistance Program (FAP), and Child Development and Care (CDC) benefits. Claimant listed her benefit group as herself and her daughter. The Department caseworker conducted an interview with Claimant. Claimant indicated she was leaving all necessary information. Claimant was also mailed a standard Verification Checklist (DHS Form 3503) which requested all the required verifications for all the programs applied for. The verifications were due back on October 4, 2010.
- (2) On October 4, 2010 a caseworker in the local office reported that Claimant's child was active on another case, based on a Power of Attorney over the child in another adult's name.
- (3) On October 4, 2010 Claimant was sent a Notice of Case Action (DHS-1605) which denied all programs. The notice specified that the application was denied because there were no legal documents showing Claimant had custody of her child and that she failed to provide last 30 days of income.

CONCLUSIONS OF LAW

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. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

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 (DHS or department) 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 Program Reference Manual (PRM).

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. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

The Child Development and Care program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

During the hearing it was determined that the Department was initially mistaken about the Power of Attorney. It was for a six month period and expired a few days before Claimant submitted her application. Claimant's application was also denied for failure to provide last 30 days of income. Claimant had submitted 5 weekly pay stubs with period end dates of [REDACTED]. The Department argued that Claimant was required to provide consecutive income verification for the 30 days immediately preceding the application.

Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

**BEM 505
PROSPECTIVE BUDGETING/INCOME CHANGE PROCESSING**

DEPARTMENT PHILOSOPHY

A group's benefits for a month are based, in part, on a prospective income determination. A best estimate of income expected to be received by the group during a specific month is determined and used in the budget computation.

Get input from the client whenever possible to establish this best estimate amount. The client's understanding of how income is estimated reinforces reporting requirements and makes the client an active partner in the financial determination process.

DEPARTMENT POLICY

FIP, SDA, RAP, CDC and FAP

A group's financial eligibility and monthly benefit amount are determined using:

- Actual income (income that was already received).
- Prospected income amounts (not received but expected).

Only **countable** income is included in the determination; see BEM 500.

Each source of income is converted to a **standard monthly amount**, unless a full month's income will not be received; see standard monthly amount in this item.

BUDGETING INCOME

Use the following guidelines to budget income:

Non-Child Support Income

Using Past Income

Use past income to prospect income for the future unless changes are expected:

- Use income from the **past 30 days** if it appears to accurately reflect what is expected to be received in the benefit month.

Note: The 30-day period used can begin up to 30 days before the interview date or the date the information was requested.

Exception: For FAP only, when processing a semi-annual contact, the 30-day period can begin up to 30 days before the day the DHS-1046, Semi-Annual Contact Report, is received by the client or the date a budget is completed. Any 30-day period that best reflects the client's prospective income within these guidelines can be used.

Discard a pay from the past 30 days if it is unusual and does not reflect the normal, expected pay amounts. Document which pay is being discarded and why. For example, the client worked overtime for one week and it is not expected to recur.

- Use income from the **past 60 or 90 days** for fluctuating or irregular income, if:
 - The past 30 days is not a good indicator of future income, and
 - The fluctuations of income during the past 60 or 90 days appear to accurately reflect the income that is expected to be received in the benefit month.

Bridges will compute the average monthly income (and convert weekly and every other week amounts) based on the amounts and the number of months entered.

Note: The 60 or 90-day period used can begin up to 60 or 90 days before the interview date or the date the information was requested.

The Department policy cited above specifies that the 30 day income period can begin up to 30 days before the interview or date the information was requested. In this case the interview and request occurred on the same day, September 24, 2010. By policy the required 30 days of income would be August 25 through September 24, 2010. It is not disputed that Claimant did not submit verification of income for that period, prior to October 4, 2010.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly denied Claimant's application for Family Independence Program (FIP), Medical Assistance (MA), Food Assistance Program (FAP), and Child Development and Care (CDC) benefits due to failure to provide required income verifications.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHeld.

/s/ _____
Gary F. Heisler
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: November 23, 2010

Date Mailed: November 24, 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.

20112651/GFH

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.

GFH/vc

cc:

