

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg No: 2011-26616
Issue No: 3015;2001
Case No: [REDACTED]
Hearing Date:
May 4, 2011
Wayne County DHS (76)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on May 4, 2011. The Claimant appeared and testified. Eileen Kott FIM, and Kinosha Collins, ES appeared on behalf of the Department.

ISSUE

Whether the Department properly denied the Claimant's Food Assistance application due to excess income.

Whether the Department properly denied the Claimant's application for Medical Assistance.

FINDINGS OF FACT

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

1. Claimant applied for Food Assistance (FAP) benefits and Medical Assistance, Adult Medical Program (AMP) on February 15, 2011.
2. The Claimant has a group of two adults.
3. The Claimant's application for Food Assistance and AMP was denied on March 5, 2011. At the time the Claimant filed his application, he did indicate that he was unable to work but did not list his medical condition.
4. The FAP income limit for 2 adults \$1579.
5. The Claimant's countable unearned income from unemployment benefits is \$720 gross biweekly, and \$1548 monthly. Exhibits 2 and 3. Exhibits 4 and 14.
6. The Claimant pays \$879.11 per month for his rent/mortgage and the Department also granted a \$588 heat and utility credit. The Department calculated the excess shelter deduction to be \$458. Exhibit 5
7. The Claimant's spouse receives earned income and provided two pay stubs, which were used to calculate FAP eligibility. The checks were dated January 21, 2011, \$1209, and February 18, 2011, \$1033 and were biweekly checks. The gross earned income was \$2410. Exhibit 6.
8. The Department calculated the Claimant's gross income to be \$4251. The correct gross income is \$3959 and exceeds the FAP gross income limit making the Claimant ineligible to receive FAP benefits.
9. The income limit for the Adult Medical Program for a group of 2 persons is \$425. The Claimant's gross income exceeded the AMP income limit.

10. The Claimant requested a hearing on March 24, 2011, protesting the denial of his Food Assistance and Medical Assistance application.

CONCLUSIONS OF LAW

FOOD ASSISTANCE

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 (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 Program Reference Manual (PRM).

Department Policy defines household income to include unemployment benefits.

Unemployment benefits are included in gross income as provided in BEM 503:

BEM 503, P. 24 -25:

UNEMPLOYMENT BENEFITS

Unemployment benefits include:

- Unemployment compensation benefits (UB) available through the Michigan Unemployment Insurance Agency (UIA) and comparable agencies in other states, and
- Supplemental unemployment benefits (SUB pay) from an employer or other source.

Count the gross amount as unearned income.

The Claimant's gross amount of biweekly unemployment benefits is \$720 and is multiplied by 2.15 to get the gross unearned monthly income which is \$1548. While the

Department incorrectly determined the Claimant's gross monthly unearned income to be \$1840, the mistake does not affect the outcome and the Department's determination that the Claimant's FAP group's income exceeded the gross income limit is correct.

BEM 505, P. 6 and 7. Exhibit 2

In the present case, according to the aforementioned policy on budgeting for FAP benefits, Claimant had a gross monthly unearned income from unemployment benefits of \$1548.00 and gross earned income from the Claimant's spouse of \$2411. The total of these two incomes added together equal the group's gross income which is \$3959.

The FAP income limit for a FAP group of two persons is \$1579. The Claimant's gross monthly income exceeds the eligible income limit.

Based upon the foregoing review, it is found that the Department correctly denied the Claimant's FAP application and its determination in that regard is AFFIRMED.

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 contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

The Adult Medical Program (AMP) is available to individuals who meet all the eligibility factors. BEM 640. There are two categories of AMP. The G program (AMP-G) is for SDA cash payment recipients who are not eligible for MA or other Department

medical programs, and who do not have private health care coverage. The H program (AMP-H) is available to clients who receive medical benefits only. BEM 640, p. 2. The Claimant if eligible for AMP would be in the H category.

Income eligibility exists when the applicant's net income does not exceed the program group's AMP income limit. BEM 640, p. 3, RFT 236. Countable income is income remaining after applying AMP policy in BEM 500. Id. Only available income is used. Available means income which is received or can reasonably be anticipated.

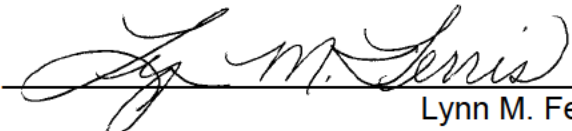
The monthly income limit in October 2010 for an AMP group of two living independently in February 2011 was \$425.00 per month. BEM 640, RFT 236. In the present case, Claimant received earnings from his unemployment in the amount of \$720 bi weekly, for a total of \$1440 monthly. The Claimant's spouse also received earned income of \$2242. Determining net earned income is calculated by deducting \$200 plus 20% ($\$2242 - \$200 = \$2042 \times 20\% = \448). ($\$2042 - \$448 = \$1594$).

The Department's finding that the Claimant's group's income exceeded the income eligibility limit for AMP of \$425 is correct. Based upon the foregoing facts and relevant law, it is found that the Department's determination to deny the Claimant's AMP application due to excess income is AFFIRMED.

As the Claimant has been notified that he will become eligible for Social Security Disability, the Claimant is urged to reapply for Medical Assistance based upon disability as he will be eligible but probably subject to a deductible spend down amount. Additionally, the Claimant is urged to reapply for FAP benefits if his income changes or is reduced.

DECISION AND ORDER

The Administrative Law Judge, based upon the findings of fact and conclusions of law, finds that the Department properly denied the Claimant's application for FAP and AMP, as the Claimant's group's income exceeded the income limit for those benefit programs, and thus the Department's decision is AFFIRMED.


Lynn M. Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 06/01/11

Date Mailed: 06/02/11

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 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.

LMF/dj

cc:

