

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.: 2011-10190  
Issue Nos.: 2001, 2014  
Case No.: [REDACTED]  
Hearing Date: January 19, 2011  
DHS County: Oakland (63-02)

**ADMINISTRATIVE LAW JUDGE:** Susan C. Burke

**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 telephone hearing was held on January 19, 2010. Claimant appeared and testified. [REDACTED] [REDACTED] represented the Department of Human Services (Department).

**ISSUE**

Was the Department correct in its denial of Claimant's Adult Medical Program (AMP) application?

**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 applied for Medical Assistance on October 19, 2010.
2. Claimant was not blind or disabled, so the Department ran eligibility for AMP.
3. Claimant receives \$700.00 per month from his son as a loan and has agreed to repay his son when he becomes employed.
4. The Department input the \$700.00 per month loaned funds as unearned income in determining AMP eligibility.
5. The Department denied Claimant's AMP application due to excess income.

**CONCLUSIONS OF LAW**

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 (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), which includes the Reference Tables (RFT.)

BEM 640 dictates that income eligibility is met when the net income does not exceed the AMP income limit.

BEM 503 instructs that funds an individual has borrowed are excluded as income provided a bona fide loan exists.

Bona fide loan means all of the following are present:

A loan contract or the lender's written statement clearly indicating the borrower's indebtedness.

An acknowledgment from the borrower of the loan obligation.

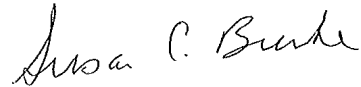
The borrower's expressed intent to repay the loan by pledging real or individual property or anticipated income.

BEM 503, p 17.

In the present case, Claimant's son is lending claimant \$700.00 per month, with the agreement that Claimant will pay back the money when he finds employment. (Exhibit 3, hand-written memo.) Claimant testified credibly at the hearing that he is receiving the funds as a loan and he intends to pay back his son when he becomes employed. The Department was, therefore, incorrect in inputting the \$700.00 per month from the loan as unearned income in determining AMP eligibility and, therefore, incorrect in its decision to deny Claimant's AMP application.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department was incorrect in its decision to deny Claimant's AMP application and its decision is, therefore, REVERSED. It is ORDERED that Claimant's application shall be reinstated and reprocessed from the date of the original application, October 19, 2010.



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Susan C. Burke  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: January 26, 2011

Date Mailed: January 27, 2011

**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.

SCB/pf

cc:

