

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.: 2011-13986

Issue No.: 3015

Case No.: [REDACTED]

Hearing Date:

February 14, 2010

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 a hearing. After due notice, a telephone hearing was conducted on February 14, 2011. Claimant and her husband [REDACTED] appeared and testified. Eileen Kott, FIM and Kinosha Collins, ES appeared on behalf of the Department.

ISSUE

Whether the Department of Human Services (DHS) properly calculated Closed the Claimant's Food Assistance Program ("FAP") case due to excess income.

Whether the Department properly denied the Claimant's application for the Adult Medical Program (AMP).

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's Food Assistance closed on January 1, 2011, due to a budget computed by the Department which included unemployment benefits

received by the Claimant's spouse as shown in the Department's system in December 2010.

2. The Claimant's case closed because the group was no longer eligible due to excess income.
3. The Claimant did not report the changes regarding her husband's receipt of unemployment benefits to the Department until January 2011.
4. The Claimant's 19 year old daughter, who is a member of her FAP group, also began working at [REDACTED] and that income was not included in the December FAP budget.
5. Claimant has a FAP benefit group of 5 members. The Claimant's rent is \$800 per month and a heat and utility allowance of \$588 was granted to the Claimant and included in the FAP budget.
6. The Claimant also received \$40 in child support in December which was included in the Claimant's FAP budget as unearned income attributable to the group. Exhibit 2
7. The Claimant's spouse began receiving unemployment benefits in December 2010 and only received one week of benefits and did not receive the federal stimulus supplement of \$25 per week.
8. The Department also included \$2201 in earned income in the FAP budget as the Claimant did not report that her husband stopped working. Exhibit 2
9. Claimant's biweekly gross unemployment benefits were reported at \$362 per week. Exhibit 1

10. The Department submitted a FAP budget for December 2010, based on the claimant's December 2010 unemployment earnings and the Claimant's husband's earned income. Exhibit 2
11. DHS determined that the Claimant's group was no longer eligible for FAP benefits and issued a notice of case action which closed the Claimant's FAP case and denied the Claimant's application for Medical Assistance. Exhibit 3
12. The Claimant and her spouse were deemed ineligible for the Adult Medical Program (AMP) as they have a dependent child and are not single adults without children. In addition, the AMP medical assistance was closed to new applications.
13. Based on the best information available to it at the time, the Department completed the December 2010 FAP budget. The Department correctly determined the Claimant's were no longer eligible due to excess income, even though the Claimant's husband was no longer receiving earned income.
14. Claimant filed a Hearing Request on December 30, 2010, objecting to the closure of the FAP case and the denial of Medical benefits. The request was received on January 6, 2011.

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 Table Manuals (“RFT”).

DHS processed a FAP budget for Claimant for the period December 2010. This budget was based on the Claimant’s receiving unemployment benefits in the gross biweekly amount of \$362 per week. Claimant does not dispute the amount of the unemployment benefits but disputes the amount of unemployment benefits included in the FAP budget as unearned income. The Claimant is also disputing the inclusion of the earned income amount of \$2201 which was also included. BAM 556 directs how FAP benefits are calculated.

In this case, the Department correctly included the unemployment income of \$724 as unearned income ($\$362 \times 2 = \724) as this was the best information available to it and it was required to process the change. The Department also correctly added to the unearned income total of \$724 from unemployment, the \$40 in child support which was received in December. When the \$40 is added to the unemployment income the total for unearned income is \$764 which is correct. The unearned income figure is correct as it is based on the best information which the Department had available.

Likewise, the Department properly continued to include the \$2201 in earned income as it had no notice from the Claimant that the employment of her spouse had stopped.

BAM 105 governs the reporting of changes and provides:

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. Changes must be reported

within 10 days of receiving the first payment reflecting the change.

Responsibility to Report Changes

Income reporting requirements are limited to the following:

Earned income:

- Starting or stopping employment.
- Changing employers.
- Change in rate of pay.
- Change in work hours of more than five hours per week that is expected to continue for more than one month.

Unearned income:

- Starting or stopping a source of unearned income.
- Change in gross monthly income of more than \$50 since the last reported change. BAM 105, page 7

The claimant did not advise the Department of the changes to the group income and thus the FAP case closed when a new budget was run. Since January, the Claimant has advised the Department that her spouse is no longer employed. Subject to receipt of the verification by the spouse's employer of loss of employment, the earned income \$2201 will no be included in the income computation when February 2011 FAP budget is computed. Because the Claimant did not report the changes as required by BAM 105 the Department based the income computations on the information it had available to it as it is allowed to do.

DHS processed a FAP budget for Claimant for the period December 2010 because it had notice of changes in income due to receipt of unemployment benefits from its computer system. The Department correctly counted the groups total income as \$3797. BAM 556 directs how FAP benefits are calculated. The Claimant was credited for \$800 rent and also received the standard utility deduction of \$588. The budget also properly gave a standard income deduction of \$147 as required by RFT

255 based on the group size and reduced the earned income by 20%. The Department correctly determined that the Claimant's net income after all deductions was \$3073. The income limit for a group of five members is \$2150 as determined by RFT 250. The claimant's net income exceeded the net income limit and thus the Claimant became ineligible. Based upon this review of the budget as calculated by the Department it is correct and contains no errors.

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

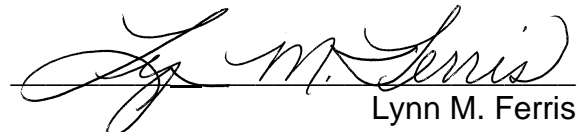
AMP follows SDA group composition policy, but does not require that a person be disabled or a caretaker. BEM 214, page 1.

As stated in BEM 214 in order to be eligible to receive AMP, the Claimant's are required to be single or married adults living together without children. In this case the Claimant and her spouse had a minor child living in the household and were not eligible for AMP. Based upon BEM 214 the Department's denial of the application for AMP is correct. In addition the AMP program was closed to new applicants.

Based upon the foregoing facts and law, it is determined that the Department properly closed the Claimant's FAP case, effective December 1, 2010, and the Department's determinations in that regard is correct and must be affirmed. The Department's denial of the Claimant's application for AMP is also affirmed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly closed the Claimant's FAP case and properly denied the Claimant's application for AMP. Its determinations as regards FAP and AMP are AFFIRMED.


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

Date Signed: 02/28/11

Date Mailed: 03/01/11

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.

LMF/dj

cc:

