

**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.: 2011-23852
Issue Nos.: 2001, 3019
Case No.: [REDACTED]
Hearing Date: March 31, 2011
DHS County: Wayne (82-49)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

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 from Detroit, Michigan, on Thursday, March 31, 2011. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department of Human Services ("Department").

ISSUE

Whether the Department properly terminated the Claimant's Adult Medical Program ("AMP") and Food Assistance Program ("FAP") benefits due to excess income?

FINDINGS OF FACT

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

1. The Claimant was an AMP and FAP recipient.
2. On February 12, 2011, the Department sent a Notice of Case Action to the Claimant informing him that his AMP and FAP benefits would be terminated effective March 1, 2011, due to excess income.
3. On February 24, 2011, the Department received the Claimant's timely written request for hearing.

CONCLUSIONS OF LAW

The Medical Assistance (“MA”) program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act. 42 USC 1397 and is administered by the Department of Human Services pursuant to MCL 400.10 *et seq.* The Department, formerly known as the Family Independence Agency, administers the 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 Bridges Reference Manual (“BRM”). The Adult Medical Program (“AMP”) is part of the MA program. BEM 500

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 administers the FAP program pursuant to MCL 400.10 *et seq.* and MAC R 400.3001-3015. Department policies are found in BAM, BEM, and BRM.

The Department determines a client’s eligibility for program benefits based on the client’s actual income and/or prospective income. All countable earned and unearned income available to the client must be considered in determining eligibility for program benefits. BEM 500. Income eligibility for AMP exists when the program group’s net income does not exceed the program group’s AMP income limit. BEM 640. The monthly AMP income limit is \$316 for an individual living independently. RFT 236. In order to determine an individual’s net income for AMP purposes, \$200.00 is deducted from the client’s gross earnings. BEM 640. Next, an additional 20% is deducted from the amount. BEM 640. The net income figure is then compared with the AMP monthly income limit to determine eligibility. BEM 640. The Department determines a client’s eligibility for FAP benefits based on the client’s actual income and/or prospective income. BEM 505. Prospective income is income not yet received but expected. BEM 505. Prospective budgeting is the best estimate of the client’s future income for future benefits. BEM 505. All income is converted to a monthly amount. BEM 505. A standard monthly amount must be determined for each income source used in the budget. BEM 505. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505.

In this case, the Department reportedly prospectively budgeted the Claimant’s earned income from three paycheck stubs from January 2011. The gross earnings budgeted were \$2,799.00. The Claimant denied the employment, stating he only collected unemployment compensation benefits in January 2011. The Department was unable to provide the verifications which purportedly showed the earnings. The caseworker who

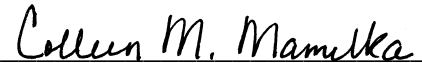
initiated the closure no longer works for the Department. The Claimant testified that he is not working nor is he receiving unemployment compensation benefits. Under these facts, the Department's termination of benefits is not upheld.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department failed to establish it acted in accordance with Department policy when it terminated the Claimant's AMP and FAP benefits due to excess income.

Accordingly, it is ORDERED:

1. The Department's AMP closure is REVERSED.
2. The Department shall re-open the Claimant's AMP benefits and determine the continuing eligibility effective March 1, 2011.
3. The Department shall notify the Claimant of the AMP determination in accordance with Department policy.
4. The Department's FAP determination is REVERSED.
5. The Department shall re-open and recalculate the Claimant's FAP benefits effective March 1, 2011, and notify the Claimant of the determination in accordance with Department policy.
6. The Department shall supplement for FAP benefits that the Claimant was entitled to receive if otherwise eligible and qualified in accordance with Department policy.



Colleen M. Mamelka
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: April 12, 2011

2011-22852/CMM

Date Mailed: April 13, 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.

CMM/pf

cc:

