

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

IN THE MATTER OF:

[REDACTED]
[REDACTED]
[REDACTED]

Reg. No: 2011-2800
Issue No: 3015; 2013
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date: November 23, 2010
Eaton County DHS

ADMINISTRATIVE LAW JUDGE: **Kandra Robbins**

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37, 7 CFR 273.16, MAC R 400.3130, and MAC R 400.3178 upon the Claimant's request for hearing. After due notice, a [telephone](#) conference hearing was held on [November 23, 2010](#). The claimant was present and testified.

ISSUES

1. Did the Department properly determine claimant was no longer eligible for the Food Assistance Program (FAP) benefit due to excess income?
2. Did the Department properly determine claimant's eligibility for Medical Assistance (MA)?

FINDINGS OF FACT:

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

- (1) The claimant was receiving FAP and MA assistance with a group size of 4.
- (2) The claimant submitted a Semi-Annual Contact Report DHS 1046 on August 27, 2010. (Department Exhibit 1 pg 2)

- (3) The Department received a Verification of Employment DHS -38 to verify employment for claimant's son, [REDACTED] on [REDACTED]. (Department Exhibit 1, pages 4-6.)
- (4) The claimant received Worker's Compensation in the amount of \$233.34 per week (Department Exhibit 1, pages 13-26.)
- (5) Claimant's son, [REDACTED] was employed from [REDACTED] through [REDACTED] (Department Exhibit 1, pages 6-12).
- (6) Claimant received child support for 3 children (Department Exhibit 1, pages 27-29).
- (7) Claimant has a monthly housing expense as well as heat and utility (Department Exhibit 1, page 32).
- (8) The Department completed claimant's FAP budget for Certification period April 1, 2010 through March 31, 2011 (Department Exhibit 1, pages 30-32).
- (9) On September 29, 2010, the Department sent the claimant notice that her monthly FAP allotment was closed because of excess income and that she was approved for Transitional Medicaid (TMA) with a deductible of \$160.00 for the claimant and \$475.00 for her son, Trevor (Department Exhibit 1, pages 40-45).
- (10) On October 8, 2010, the Department received the claimant's Request for Hearing DHS 1605 protesting the Department's determination of her FAP allotment and MA.

CONCLUSIONS OF LAW:

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901 - .951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1) An opportunity for a hearing shall be granted to an applicant who requests a hearing because of a denial. MAC R 400.903(2)

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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.

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 Program Administrative Manual (BAM), the Program Eligibility Manual (BEM) and the Program Reference Manual (BRM). Department Policy states:

DEFINITIONS ALL TOA

Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if not paid directly such as income paid to a representative.

Countable Income Countable income is the amount remaining after applying policy in this and other income-related manual items. This is the amount used to determine eligibility and benefit level.

Earned Income Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Some rental income is considered earned; see [BEM 504](#), Income from Rental/Room and Board.

Unearned Income Unearned income is all income that is not earned.

Gross Income Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives. (BEM 500).

Bridges will assist you in determining who must be included in the Food Assistance Program (FAP) group prior to evaluating the nonfinancial and financial eligibility of everyone in the group.

FAP group composition is established by determining:

- 1 .Who lives together.
2. The relationship(s) of the people who live together.
3. Whether the people living together purchase and prepare food together or separately, and

4. Whether the person(s) resides in an eligible living situation (see Living Situations). (BEM 210)

Parents and their children under 22 years of age who live together must be in the same group regardless of whether the child has his/her own spouse or child who lives with the group. (BEM 210).

DEPARTMENT POLICY

MA Only

This is a FIP-related Group 1 MA category.

TMA eligibility can be considered only after LIF.

Families may receive TMA for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker.

TMA starts the month in which LIF ineligibility began regardless of when the LIF eligibility actually ended.

Do not require a new or updated application or an in-person interview to transfer to TMA.

INITIAL TMA ELIGIBILITY

LIF must be transferred to TMA when all of the requirements in 1-3 below are met.

1. At least one LIF qualified group member was eligible for and received Michigan FIP (not EFIP) and/or LIF for three of the six calendar months immediately preceding the month of FIP/LIF ineligibility.

Note: Per BEM 518, FIP eligible groups with deficits of \$1 through \$9 are considered FIP recipients.

Note: If LIF is approved for a month prior to FIP eligibility (examples: application month, retro MA month), that month counts.

2. LIF ineligibility resulted from only excess income.
3. Earnings of the caretaker relative, caretaker relative's spouse or a dependent child's parent in the LIF ineligibility determination are greater than zero. Caretaker relative means the person identified as caretaker relative under BEM 110, "EXHIBIT I - LIF GROUP

COMPOSITION

Family with Earnings Losing LIF/FIP

Families who become ineligible for FIP or LIF due to income and have earnings must be considered for Transitional MA (BEM 111).

The Department is required to count the claimant's total gross income in determining the claimant's eligibility for FAP benefits. Unearned income includes worker's compensation income. BEM 500. The Department is required to use the income for all members of the group. The group composition is determined by policy. In this case, the claimant's son, [REDACTED] resides with her. [REDACTED] is under 22 years old. He is required to be part of the FAP group. Therefore, his income is required to be used in calculating program eligibility. Trevor had earned income in the amount of \$1,027.00. The claimant had unearned income from child support and worker's compensation in the amount of \$1,874.00. The Department determines a FAP group's net income by deducting certain allowable expenses. These expenses include shelter expenses. The claimant had a housing expense of \$5.00 and a heat and utility deduction of \$588.00. After calculating the standard deductions, the claimant had a total net income was properly calculated to be \$2,543.00.

The federal regulations provide standards for income and the amount of household benefits. In accordance with federal regulations, the Department has prepared income and issuance tables which can be found at RFT 250. The issuance table provides that the income limit for a group of 4 is \$1,838.00 (RFT 250). The Department's FAP eligibility determination was correct based on the verification that the claimant submitted to the Department at the time.

The Department correctly determined the Claimant's total net income for FIP related MA to be \$551.00. The income parameter found in RFT 240 is \$391.00. This results in an MA deductible for the claimant in the amount of \$160.00 as properly calculated by the Department. The claimant's son, [REDACTED] has a net income of \$866.00. The income parameter is \$391.00. This results in an MA deductible for [REDACTED] in the amount of \$475.00.

DECISION AND ORDER:

This Administrative Law Judge, based upon the above findings and conclusion of law, decides that the Department correctly determined the claimant to have excess income and no longer eligible for the FAP program. The Department properly determined the claimant and her son, Trevor's eligibility for the MA program.

2011-2800/KKR

It is so ORDERED.

/S/
Kandra Robbins
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: December 2, 2010

Date Mailed: December 2, 2010

NOTICE: The law provides that within 30 days of receipt of the above Decision and Order, the respondent may appeal it to the circuit court for the county in which he/she lives.

KKR/tg

cc:

