

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

IN THE MATTER OF:



Reg. No: 2011-29613

Issue No: 3000, 2001



Kent County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the DHS client's (referred to as "the claimant") request for a hearing received on April 8, 2011. After due notice, a telephone hearing was held on June 29, 2011. The claimant personally appeared and provided testimony.

**ISSUE**

Did the department properly determine the claimant's Food Assistance Program (FAP) and Adult Medical Program (AMP) benefits?

**FINDINGS OF FACT**

The 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 AMP benefits at all times pertinent to this hearing. (Department Exhibit 15).
2. On March 28, 2011, the department received a Semi-Annual Contact Report (DHS-1046) which indicated an address change and an increase in household income. (Department Exhibits 1 & 2).
3. On March 28, 2011, the department received the claimant's Shelter Verification (DHS-3688), which indicated that the claimant was no longer paying any rent as she had moved in with her daughter on December 10, 2010. (Department Exhibit 1-4). The claimant's daughter was receiving \$644 per month in Social Security (SSI) payments. (Department Exhibits 1-4).
4. The department learned that the claimant earned self-employment income as a home day care provider. (Department Exhibits 8-11, 29-31). The

claimant's gross income from self-employment was [REDACTED] per month. (Department Exhibits 8-11, 29-31).

5. On April 1, 2011, the department mailed a Notice of Case Action (DHS-1605) which closed her AMP benefits due to ineligibility and reduced her FAP allotment from [REDACTED] per month. (Notice of Case Action)
6. On April 8, 2011, the claimant submitted a hearing request contesting the closure of her AMP benefits and the reduction of her FAP benefits. (Request for a Hearing).

### **CONCLUSIONS OF LAW**

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 department's policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Prior to the closure of the hearing record, the claimant testified that she now understood the department's actions with regard to her FAP reduction. Because the claimant moved in with her daughter and the household income increased to [REDACTED] and that the claimant no longer pays any rent, her FAP benefits were decreased to [REDACTED]. At this time, the claimant was satisfied with the department's actions with regard to her FAP decrease. The parties have mutually reached an agreement to resolve the FAP matter. Therefore, the only dispute for the Administrative Law Judge to decide concerns the department's determination of her AMP benefits.

The Adult Medical Program (AMP) is available to individuals who meet all the eligibility factors in BEM 640. Certain aliens are limited to coverage of emergency services (ESO). BEM 640. Income eligibility exists when the program group's net income does not exceed the program group's AMP income limit. BEM 640. The AMP income limits are identified in RFT 236. When the client's living arrangement changes during a month, the department uses the living arrangement with the higher income limit. BEM 640. Only countable income is used. BEM 640. Countable income is income remaining after applying AMP policy in BEM 500, 501, 502, 503, 504. BEM 640.

There are two categories of AMP.

- **G Program (AMP-G)** - SDA cash payment recipients are eligible for AMP when they:
  - Are not eligible for MA or other Department medical programs, and
  - Do not have private health care coverage (see "Private Health Coverage" below), and

- There is not an enrollment freeze in effect in the month of application.
- **H Program (AMP-H)** - Clients receive medical benefits only. Clients must meet all eligibility factors in BEM 640.

With regard to AMP-H nonfinancial eligibility factors, a person who has private health care coverage is not eligible for AMP. BEM 640. Health care coverage includes comprehensive health insurance (see PRG) and enrollment in a medical care plan such as a health maintenance organization (HMO). BEM 640.

Medicare is considered health insurance for AMP purposes. BEM 640. Persons whose coverage is limited to dental and/or vision coverage are eligible for AMP. BEM 640.

Note: The Indian Health Service and VA health benefits are not private health care coverage. BEM 640.

Income eligibility exists when the program group's net income does not exceed the program group's AMP income limit. BEM 640. The AMP income limits are set forth in RFT 236. When the client's living arrangement changes during a month, policy requires the department use the living arrangement with the higher income limit. BEM 640.

Countable income is income remaining after applying AMP policy in BEM 500, 501, 502, 503, 504. BEM 640. Available means income which is received or can reasonably be anticipated. Available income includes amounts garnisheed from income, joint income, and income received on behalf of a person by his representative. See BEM 500 for details. BEM 640.

For purposes of AMP-H, policy prohibits the department from budgeting income that results from an extra check (e.g., 5th check for a person who is paid weekly). BEM 640.

When the amount of income from a source changes from month to month, policy provides the department should estimate the amount that will be received in the future month. BEM 640. For example: For fluctuating earned income, the department will use the expected hourly wage and hours to be worked, as well as the pay day schedule, to estimate gross earnings.

Policy instructs the department to use the monthly average amount if this month is one of the months used in order to compute the average income. BEM 640. For individual deductions, policy directs the department to deduct [REDACTED] from a program group member's gross earnings. BEM 640. Then policy provides that the department should deduct 20% of the person's remaining gross earnings. BEM 640. The total disregard cannot exceed the person's gross earnings. BEM 640.

During the relevant time period, the claimant's monthly net earned income from self-employment was [REDACTED]. According to the policy tables, the AMP income level for an individual who is in an independent living environment is [REDACTED]. RFT 236. The claimant's net income exceeds the AMP policy limits. Therefore, the department's AMP eligibility determination was correct based on the claimant's increased self-employment income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department acted in accordance with policy in determining the claimant's AMP eligibility.

The department's AMP eligibility determination is AFFIRMED.

It is SO ORDERED.

/s/  
C. Adam Purnell  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 7/12/11

Date Mailed: 7/12/11

**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.

CAP/ds

