

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

IN THE MATTER OF:

Reg. No: 201132321  
Issue No: 3003, 2026,  
6019

[REDACTED]

[REDACTED]

[REDACTED]

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 (also referred to as "the claimant") request for a hearing received on May 5, 2011. After due notice, a telephone hearing was held on June 30, 2011. The claimant personally appeared and provided testimony.

**ISSUE**

Whether the department properly determined the claimant's Food Assistance Program (FAP), Medical Assistance (MA) and Child Development and Care (CDC) 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 an active recipient for FAP, MA and CDC benefits at all times pertinent to this hearing. (Hearing Summary). At the pertinent time period, the claimant received FAP in the amount of [REDACTED] per month.
2. On May 3, 2011, the department learned that the claimant lost her job and now received unearned income in the form of unemployment payments in the amount of [REDACTED], which was paid bi-weekly ([REDACTED]). (Department Exhibits 10 & 11). The claimant's group size is 3. (Department Exhibits ).
3. On May 3, 2011, the department mailed the claimant a Notice of Case Action informing her: (1) FAP decreased to [REDACTED] monthly, (2) MA Low Income Families (LIF) was closed due to excess income, and (3) Group 2 MA for caretaker's relatives now carries a deductible of [REDACTED]. (Department Exhibits 12-17).

4. On April 16, 2011, the department mailed the claimant a Notice of Case Action that closed the claimant's CDC benefits because she was no longer employed. (Notice of Case Action, Department Exhibit 20-25).
5. The claimant submitted a hearing request on May 3, 2011, challenging the FAP reduction, the MA deductible and the closure of her CDC case. (Request for a Hearing).

### **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 400.901-400.951. 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).

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

The MA program is also referred to as Medicaid. BEM 105. The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105. The Medicaid program is comprised of several sub-programs or categories. One category is FIP recipients. BEM 105. Another category is SSI recipients. BEM 105. There are several other categories for persons not receiving FIP or SSI. BEM 105. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. BEM 105. Therefore, these categories are referred to as either FIP-related or SSI-related. BEM 105.

To receive Medicaid under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related categories. BEM 105. For MA only, a client and the client's community spouse have the right to request a hearing on an initial asset assessment only if an application has actually been filed for the client. BEM 105.

The Child Development and Care (CDC) program is established by Titles IVA, IVE, and XX of the Social Security Act, the Child Care and Development Block Grant of 1990,

and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or Department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

The goal of the Child Development and Care (CDC) program is to preserve the family unit and to promote its economic independence and self-sufficiency by promoting safe, affordable, accessible, quality child care for qualified Michigan families. BEM 703. The Department of Human Services (DHS) may provide a subsidy for child care services for qualifying families when the parent(s)/substitute parent(s) is unavailable to provide the child care because of employment, participation in an approved activity and/or because of a condition for which treatment is being received and care is provided by an eligible provider. BEM 703.

Group composition for CDC is the determination of which persons living together are included in the CDC program group. Program group means those persons living together whose income must be counted in determining eligibility for CDC categories that require an income determination; see BEM 703, Eligibility Groups. Living together means sharing a home except for temporary absences.

For CDC eligibility to exist for a given child, each parent/substitute parent (P/SP) must demonstrate a valid need reason. This section specifies who must demonstrate those valid need reasons. There are four valid CDC need reasons. Each parent/substitute parent of the child needing care must have a valid need reason during the time child care is requested. Each need reason must be verified and exists only when each parent/substitute parent is unavailable to provide the care because of (1) Family preservation; (2) High school completion; (3) An approved activity or (4) Employment. BEM 703.

In two parent households, both parents' need reasons must be verified with the appropriate verification. Determination of eligibility must be made in the following descending order. CDC Payments for Family Preservation may be approved for P/SPs who are:

- Unavailable to provide care because they are participating in a court-ordered rehabilitative activity.
- Unavailable to provide care because they are required to participate in the treatment activity of another member of the CDC program group, the CDC applicant or the CDC applicant's spouse who lives in the home.
- Unable to provide care due to a condition for which they are being treated by a physician.

- Unavailable to provide care due to an educational need which is part of the foster care services plan.

Allowable conditions may include, but are not limited to the following:

- Disability or mental disturbance.
- Chronic health conditions.
- Drug/alcohol abuse.
- Social isolation.
- History of child abuse/neglect in family or poor, inadequate parenting.
- Domestic violence.

Allowable treatment activities may include, but are not limited to the following:

- Hospitalization.
- Physical therapy.
- Occupational therapy.
- Speech therapy.
- Counseling sessions.
- Alcoholics Anonymous (AA) meetings.
- Narcotics Anonymous (NA) meetings.
- Parenting classes.
- Support classes.
- Food and nutrition classes.
- Court-ordered community service.
- Money management classes.

CDC Payments for High School Completion may be approved for P/SP's who are enrolled full or part-time, as defined by the educational institution, in order to attend classes leading to a high school diploma or its equivalent. Examples of this need reason would be high school completion, general educational development (GED), adult basic education (ABE) or English as a second language (ESL) classes. Verify the education activity and number of hours of the activity with:

- A completed copy of the DHS-4578, Child Care Education Verification. The activity end date on the DHS-4578 should correspond with the high school completion need end date on Bridges.
- A copy of the class schedule. Obtain this verification and file it in the case record:
  - At application.
  - At the beginning of a new term or semester.
  - When there is a change in the client's enrollment status or schools.

CDC eligibility based on the high school completion need reason ends when the client is no longer participating in the high school completion activity. BEM 703.

Child care payments may be approved under this Approved Activity need reason when a client needs child care to participate in an employment preparation and/or training activity or a post-secondary education program. The activity or education program must be approved by one of the following:

- DHS.
- MWA.
- Refugee services contractor.
- Tribal employment preparation program.
- Michigan Rehabilitation Services (MRS).

Hours of participation must be verified. Training and educational programs are presumed to be occupationally relevant. If questionable, email the policy mailbox at Policy-CDC-DHS Policy-CDC. Online educational programs can only be approved if all of the following three requirements are met:

- Attendance is mandatory.
- The number of required hours of online attendance time is verified.
- Attendance is required at specific, regularly scheduled times.

If the program is self-paced and can be completed at any time, care can not be approved for this need reason. Child care benefits for this need reason cannot be approved for graduate, medical or law school. Client need must be reviewed and re-verified whenever the term, semester or program ends, whichever is earliest. The authorization end date must not exceed the term, semester or program end date. BEM 703.

Document the activity for those clients referred to the MWA agency for participation in the case record. For all other activities and for MWA and DHS assigned education activities, verify:

- The activity.
- The number of hours of the activity. For verification, use a copy of a document(s) containing at least the following elements:
  - The name and location of the assignment.
  - The begin and end date of the approved activity plan.
  - The schedule for the assignment (a separate printed class schedule is acceptable) or the DHS-4578, Child Care Education Verification. The activity end date on the DHS-4578 should correspond with the approved activity need end date on Bridges.
  - A collateral contact with the MWA or other employment preparation agency verifying the above elements, and documenting the same in the case record, may be used as verification.

The specialist should obtain this verification and file it in the case record:

- At application.
- At the beginning of a new term or semester.
- When there is a change in the client's enrollment status or schools.

CDC eligibility ends based on an approved activity need reason when:

- The client is no longer participating with the MWA or other employment agency.
- The activity is no longer approved.
- The client no longer meets CDC eligibility requirements.
- The need no longer exists. BEM 703.

For FAP purposes, all earned and unearned income available to the claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMP), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. BEM 505. All income is converted to a standard monthly amount. If the client is paid weekly, the department multiplies the average weekly amount by 4.3. If the client is paid every other week, the department multiplies the average bi-weekly amount by 2.15. BEM 505.

For FAP, all income is converted to a standard monthly amount. BEM 505. If the client is paid weekly, the department multiplies the average weekly amount by 4.3. If the client is paid every other week, the department multiplies the average bi-weekly amount by 2.15. BEM 505.

In this case, the claimant lost her employment and, on April 3, 2011, she began to collect [REDACTED] in UCB every two weeks. This amount is multiplied by 2.15 for a total of [REDACTED] of monthly gross earned income. After the standard deduction of [REDACTED] for a group size of 3, the claimant's adjusted gross income is [REDACTED]. RFT 255. The claimant's monthly housing expenses are [REDACTED] and standard heat and utility is [REDACTED]. RFT 260. The total shelter amount [REDACTED] BEM 556. [REDACTED] of the claimant's adjusted gross income [REDACTED]. The non-S/D/V shelter maximum is [REDACTED]. The FAP monthly benefit calculation is [REDACTED]. RFT 260. Thus, the department's calculation for the claimant's FAP benefits was accurate.

For purposes of the claimant's MA deductible, the total net income is [REDACTED]. According to RFT 240, the protected income limit (PIL) for Kent County (Shelter Area V) with a group size of 3 is [REDACTED]. The PIL subtracted from the net income is the remaining deductible. [REDACTED]. BEM 536. The appropriate MA deductible amount is [REDACTED]. Accordingly, the department determined the claimant's eligibility for MA benefits.

Because the claimant was no longer employed at the relevant time, the claimant is not eligible for CDC benefits. Based on the material and substantial evidence presented during the hearing, the department properly determined the claimant's CDC eligibility.

Consequently, this Administrative Law Judge finds that, based on the material and substantial evidence presented during the hearing, the department properly determined the claimant's FAP, MA and CDC benefits.

**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 FAP, MA and CDC benefits.

The department's MA, FAP and CDC 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: 7/7/11

Date Mailed: 7/7/11

**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

■ [REDACTED]