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

#### IN THE MATTER OF:



Reg. No.: 201227703 Issue No.: 3002 Case No.: March 19, 2012 Hearing Date: County: Oakland (04)

#### ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

#### **HEARING DECISION**

This matter is before the undersigned Administ rative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claim ant's request for a hearing. After due notice, a telephone hearing was held on March 19, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claim ant. Participants on behalf of the Department of Human Services (Department) included Eligibility Specialist.

#### ISSUE

Due to excess income, did the Department properly deny the Claimant's applic ation Close Claimant's case reduce Claimant's benefits for:

imes	

Family Independence Program (FIP)? Food Assistance Program (FAP)? Medical Assistance (MA)?

Adult Medical Assistance (AMP)?
State Disability Assistance (SDA)?
Child Development and Care (CDC)?

# FINDINGS OF FACT

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

applied for benefits for: Received benefits for:

Family Independence Program (FIP). Food Assistance Program (FAP).

Medical Assistance (MA).

- Adult Medical Assistance (AMP).
- State Disability Assistance (SDA).
- Child Development and Care (CDC).

- 2. On January 1, 2012, the Department denied Claimant's application
  Closed Claimant's case reduced Claimant's benefits due to excess income.
- On December 29, 2012, the Department sent
  ☐ Claimant
  ☐ Claimant's Authorized Representative (AR)
  ☐ of the
  ☐ denial.
  ☐ closure.
  ☑ reduction.
- 4. On January 19, 2012, Claimant or Claimant's AHR filed a hearing request, protesting the

denial of the application.	closure of the case.	$\boxtimes$ reduction of benefits.
----------------------------	----------------------	------------------------------------

## CONCLUSIONS OF LAW

Department policies are contained in the Br idges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq*.

☐ The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and W ork Opportunity Reconc iliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq*. The Department (formerly k nown as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq*., and 1999 AC, Rule 400.3101 through Rule 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistanc e Program (FAP) [for merly 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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq*., and 1999 AC, Rule 400.3001 through Rule 400.3015.

☐ The Medical Ass istance (MA) program is es tablished by the Title XIX of the Soc ial Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department (formerly known as the F amily Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The State Disabilit y Assistance (SDA) progr am, which provides financial ass istance for disabled persons, is established by 2004 PA 344. The Department (formerly known as the F amily Independence Agency) admini sters the SDA program pursuant to M CL 400.10, *et seq.*, and 2000 AACS, Rule 400.3151 through Rule 400.3180.

The Ch	ild Devel	opment and	I Care (CDC	c) program is	establis heo	d by Titles	IVA, IVE
and XX of	the Soc	ial Security	Act, the Ch	ild Care and	d Developm	ent 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 Fede ral Regulations, Parts 98 and 99. T he Department provides servic es to adult s and children pursuant to MCL 400.14(1) and 1999 AC, Rule 400.5001 through Rule 400.5015.

Additionally, at the hearing, the Department testified that, in connection with a semiannual contact, it recalculated Claimant's FAP budget for January 2012 ongoing based on Claimant's December 2011 income and expenses. The Department testified, and Claimant verified, that Claimant had no shelter expenses at the time of the semi-annual contact. However, the Department faile d to produce Claimant's January 2011 FAP budget and, while it testified that Claimant had gross monthly earned income of \$1452.79, it was unable to explain the basis of its calculation of this income. Thus, the Department was unable to satisfy its burden of showing that it acted in accordance with Department policy when it reduced Claimant's FAP budget from \$200 per month to \$16 per month effective January 1, 2012.

During the course of the hearing, Claimant testified that in mid-January 2012 she moved into new housing, inc urring shelter expenses that she did not previously have, and that her income decreased after Dec ember 2011. Bec ause these changes occurred after the Department calculated Claimant's FAP budget in December 2011, it properly did not consider t his information in Claimant 's J anuary 2012 FAP b udget. Claimant was advised to present verification of the decrease in her income and the increase in her shelter expenses to the Department so that it could recalculate her FAP budget and adjust her monthly FAP benefit s in accordance with Department policy to affect future FAP benefits.

Based upon the abov e Findings of Fact and Conclus ions of Law, and for the reasons stated on the record, the Administrative La income, the Department properly w Judge concludes t hat, due to excess

	denied Claimant's application
$\boxtimes$	reduced Claimant's benefits

closed Claimant's case

for:  $\square$  AMP  $\square$  FIP  $\square$  FAP  $\square$  MA  $\square$  SDA  $\square$  CDC.

# DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department i did act properly idd not act properly.

Accordingly, for the reasons stated above and on the record, the Department's		AMP
FIP A FAP MA SDA CDC decision is AFFIRMED A REVERS	ED	-

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

- 1. Recalculate Claimant's FAP budget for January 1, 2012 ongoing in accordance with Department policy;
- 2. Issue supplements for any FAP benefits Claimant is eligible to receive but did not for January 1, 2012 ongoing; and
- 3. Notify Claimant in writing of its decision in accordance with Department policy.

Alice C. Elkin Administrative Law Judge for Maura Corrigan, Director Department of Human Services

Date Signed: March 20, 2012

Date Mailed: March 20, 2012

**NOTICE:** Michigan Administrative Hearing S ystem (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a par ty within 30 days of the mailing date of this Dec ision and Order . MAHS will not or der a rehearing or reconsideration on the Department's mo tion where the final decis ion cannot be implemented within 90 days of the filing of the original request. (60 days for FAP cases)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing <u>MAY</u> be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at Michigan Administrative Hearings

Re consideration/Rehearing Request P. O. Box 30639 Lansing, Michigan 48909-07322

# 2012-27703/ACE

## ACE/cl

