

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201230893
Issue No.: 3003
Case No.: [REDACTED]
Hearing Date: March 7, 2012
County: Macomb (12)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on March 7, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly deny the Claimant's application close Claimant's case reduce Claimant's benefits for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)? | <input type="checkbox"/> Adult Medical Assistance (AMP)? |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP)? | <input type="checkbox"/> State Disability Assistance (SDA)? |
| <input type="checkbox"/> Medical Assistance (MA)? | <input type="checkbox"/> Child Development and Care (CDC)? |

FINDINGS OF FACT

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

1. Claimant applied for benefits for: received benefits for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP). | <input type="checkbox"/> Adult Medical Assistance (AMP). |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP). | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> 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 failure to provide shelter verification.
3. On December 29, 2011, the Department sent Claimant Claimant's Authorized Representative (AR) notice of the denial. closure. reduction.
4. On January 4, 2012, and January 9, 2012, Claimant or Claimant's AHR filed a hearing request, protesting the denial of the application. closure of the case. reduction of benefits.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges 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 Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known 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 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 (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 Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACS, Rule 400.3151 through Rule 400.3180.

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 provides services to adults and children pursuant to MCL 400.14(1) and 1999 AC, Rule 400.5001 through Rule 400.5015.

Additionally, in connection with a FAP redetermination in December 2011, the Department sent Claimant a Verification Checklist on December 15, 2011, requesting verification of her monthly rental obligation. When the Department did not receive the completed Shelter Verification (or other acceptable verification of rent), the Department recalculated Claimant's FAP budget excluding Claimant's shelter obligations. The Department sent Claimant a Notice of Case Action informing her that, effective January 1, 2012, her monthly FAP benefits were \$109. Based on verification of additional medical expenses Claimant subsequently submitted to the Department, Claimant's FAP benefits were increased to \$113 effective February 1, 2012, and to \$116 effective March 1, 2012.

A client must verify shelter expenses when a change is reported. BEM 554. If the client fails to verify a reported change in shelter, the old expense is removed until a new expense is verified. BEM 554. In this case, the Department credibly testified that it did not receive a shelter verification until February 27, 2012. At the hearing, Claimant testified that she had provided the Verification of Shelter form to her landlord and was not aware that her landlord had failed to complete the form and forward it to the Department. Under these circumstances, the Department acted in accordance with Department policy when it excluded shelter expenses from the calculation of Claimant's FAP budget for January 1, 2012 until it was required to process the completed shelter verification form. The Department stated on the record that the completed shelter verification would be processed in accordance with Department policy and affect subsequent benefit months. If Claimant is unsatisfied with the Department's action, she may request a hearing on that matter.

While the Department properly excluded unverified shelter amounts, a review of Claimant's FAP budget during the course of the hearing revealed a discrepancy in the amount of unearned income the Department attributed to Claimant. The Department testified that Claimant had gross unearned monthly income of \$717, consisting of (i) Social Security Income (SSI) benefits of \$698 from the Social Security Administration (SSA); (ii) a state supplement of \$5.20; and (iii) State SSI Payment (SSP) benefits of \$14 (based on a quarterly payment of \$42). However, Claimant credibly testified that she received quarterly SSP benefits of only \$26.40, making her monthly SSP benefits \$8.80, not \$14. The Department's own evidence showed that, for the quarters ending September 2011 and June 2011, Claimant received quarterly SSP benefits of \$26.40.

While the State generally pays a quarterly SSP payment of \$42 to clients in independent living situations, in certain situations, the SSA pays a portion of the state supplements and the Department pays the difference between the amount of the state supplement paid by the SSA and the amount of the SSP benefit the client is entitled to receive, based on the client's living arrangement. BEM 660. Because the sum of the

state supplement of \$5.20 paid to Claimant by the SSA and the monthly SSP benefit of \$8.80 Claimant actually received equals \$14, this appears to be Claimant's situation. Thus, Claimant's monthly unearned income was \$712 (the sum of (i) Claimant's monthly \$698 SSI benefit, (ii) the \$5.20 state supplement paid by the SSA, and (iii) Claimant's monthly \$8.80 SSP benefit), and the Department did not act in accordance with Department policy when it calculated Claimant's FAP budget using unearned income of \$717.

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that, due to excess income, the Department properly improperly

- denied Claimant's application
- reduced Claimant's benefits
- closed Claimant's case

for: AMP FIP FAP MA SDA 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 did act properly did not act properly.

Accordingly, for the reasons stated above and on the record, the Department's AMP FIP FAP MA SDA CDC decision is AFFIRMED REVERSED.

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

1. Begin recalculating Claimant's FAP budget for January 1, 2012, ongoing to show the corrected amount for Claimant's unearned income; and
2. Issue supplements for any FAP benefits Claimant was eligible to receive, but did not for January 1, 2012, ongoing.



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

Date Signed: March 13, 2012

Date Mailed: March 13, 2012

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (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 **MAY** 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 to:

Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

ACE/hw

cc:

