

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

IN THE MATTER OF:



Reg. No.: 201234655
Issue No.: 3002
Case No.: [REDACTED]
Hearing Date: April 19, 2012
County: Wayne (19)

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 April 19, 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/Medical Contact Worker.

ISSUE

Due to excess income, 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 March 1, 2012, the Department denied Claimant's application closed Claimant's case reduced Claimant's benefits due to excess income.
3. On February 13, 2012, the Department sent Claimant Claimant's Authorized Representative (AR) notice of the denial. closure. reduction.
4. On February 21, 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, effective March 1, 2012, Claimant's FAP benefits were reduced to \$16 per month based on Claimant's receipt of Retirement, Survivors, and Disability Insurance (RSDI) benefits. At the hearing, the Department produced Claimant's FAP budget used to calculate Claimant's monthly FAP benefits for March 2012 and ongoing. The FAP budget showed unearned monthly income of \$1305, which the Department testified was Claimant's monthly RSDI benefits.

The Department may rely on available electronic methods such as the Single On-Line Query (SOLQ), the Department's data exchange with the Social Security Administration (SSA), to verify income. BEM 503. At the hearing, the Department produced Claimant's report from the SOLQ, showing Claimant's gross monthly RSDI income of \$1305, effective January 1, 2012. The SOLQ showed that Claimant was responsible for his Part B Medicare premium of \$99.90 and that his net monthly benefit was \$1206.

At the hearing, Claimant disputed that he received gross RSDI income of \$1305, contending that the SSA direct deposited RSDI benefits of \$1205 and that he had a coupon book for his monthly Part B premium that he used to send his monthly \$99.90 payment to the SSA. When electronic verification is not available or inconsistent with client statement, the client has primary responsibility for obtaining verification. BEM 503. In this case, Claimant did not present any documentary evidence to dispute the Department's reliance on the SOLQ to establish Claimant's unearned income. In the absence of such evidence, the Department acted in accordance with Department policy in using \$1305 as Claimant's gross monthly unearned income in his FAP budget.

From the gross income, the Department properly deducted the \$146 standard deduction available to all clients with a FAP group size of one. BEM 556; RFT 255. Claimant, a senior/disabled/disabled veteran (S/D/V) member, is eligible for a deduction for medical expenses incurred each month in excess of \$35. BEM 554. Because Claimant was responsible for his \$99.90 Medicare Part B premiums, the Department properly deducted \$65 for medical expenses. Because Claimant had not provided verification of his housing expenses, the Department only considered the standard heat and utility deduction of \$553 available to all FAP recipients in calculating Claimant's excess shelter deduction in his FAP budget. BEM 554; RFT 255. Based on the foregoing figures, the Department acted in accordance with Department policy when it concluded that Claimant was entitled to \$16 per month in FAP benefits for March 2012 ongoing. BEM 550; BEM 556; RFT 260.

At the hearing, Claimant testified that he had additional medical expenses and a monthly rental obligation of \$500 but confirmed that he had not previously provided verification of these expenses to the Department. He was advised to present verification of these expenses to the Department for those expenses to be considered in

future FAP budgets in accordance with Department policy. Claimant also testified that his minor child was living with him. He was advised that he would have to establish the child's residence in his home, in a manner acceptable to the Department and in accordance with BEM 212, to have the child added to his FAP group.

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.



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

Date Signed: April 20, 2012

Date Mailed: April 20, 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.

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

ACE/hw

cc:

