

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201242486
Issue No.: 3002; 4013
Case No.: [REDACTED]
Hearing Date: April 26, 2012
County: Wayne (55)

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 26, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Medical Contact Worker.

ISSUE

Did the Department properly calculate Claimant's Food Assistance Program (FAP) monthly allotment?

Did the Department properly deny Claimant's application for State Disability Assistance (SDA)?

FINDINGS OF FACT

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

1. On March 22, 2012, Claimant applied for FAP and SDA benefits.
2. At the time of his application, Claimant received gross monthly Retirement, Survivors and Disability Insurance (RSDI) benefits of \$547.90.
3. Although the Department initially denied Claimant's FAP application, in a March 30, 2012 Notice of Case Action the Department approved Claimant for a monthly FAP allotment of \$193 and paid benefits from the date of his application.
4. Although the Department concedes that it initially denied Claimant's SDA application for an erroneous reason, it subsequently sent Claimant a March 30, 2012 Notice of

Case Action informing him that it was denying his application on the basis that his income exceeded the SDA income limit.

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 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 Mich Admin Code, R 400.3101 through R 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 Mich Admin Code, R 400.3001 through R 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 of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

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 State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACCS, R 400.3151 through R 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 Mich Admin Code, R 400.5001 through R 400.5015.

FAP Benefits

The Department testified that Claimant received a monthly FAP allotment of \$193. Although the Department did not produce a FAP budget showing how Claimant's FAP benefits were calculated, the evidence at the hearing showed that Claimant's only income was his gross monthly RSDI benefits of \$547.90. Because Claimant was a Senior/Disabled/Veteran (SDV) member, he was eligible for a deduction of medical expenses in excess of \$35. BEM 554. The evidence at the hearing showed that Claimant paid his Part B Medicare premium of \$99.90. Therefore, he was eligible for a medical expenses deduction of \$65. Claimant was also entitled to a standard deduction of \$146 for his group size of one. RFT 255. Although Claimant had not verified his monthly housing expenses and those expenses were therefore not considered in Claimant's FAP budget (BEM 554), the Department must consider the standard heat and utility deduction of \$553 available to all FAP recipients in calculating Claimant's excess shelter deduction. BEM 554; RFT 255. A calculation of Claimant's FAP budget using these figures does not result in monthly FAP benefits of \$193. Thus, the evidence at the hearing did not establish that the Department acted in accordance with Department policy when it calculated Claimant's monthly FAP allotment.

SDA Application

The Department testified that Claimant's SDA application was denied because his income from his RSDI benefits put him over the income limit for SDA applicants.

In order to be eligible for SDA benefits, an individual must be in financial need. BEM 515. Financial need exists when the individual's budgetable income is less than the applicable payment standard. BEM 515. The SDA payment standard for an individual living in an independent living arrangement, which is Claimant's situation, is \$200. RFT 225. Claimant's budgetable income consists of his \$547.90 monthly gross RSDI benefits. BEM 505; BEM 503; BEM 518. Because Claimant's budgetable income of \$547.90 exceeds the applicable SDA payment standard of \$200, the Department acted in accordance with Department policy when it denied Claimant's SDA application. BEM 518.

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 when it denied Claimant's SDA application.
- did not act properly when it calculated Claimant's FAP benefits.

Accordingly, the Department's decision is AFFIRMED REVERSED AFFIRMED IN PART with respect to the denial of Claimant's SDA application and REVERSED IN PART with respect to the calculation of Claimant's FAP budget for the reasons stated on the record and above.

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 as of March 22, 2012, in accordance with Department policy;
2. Issue supplements for any FAP benefits Claimant was eligible to receive but did not from March 22, 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: April 30, 2012

Date Mailed: April 30, 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 at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

ACE/cl

cc:

