

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201242604
Issue No: 2001
Case No: [REDACTED]
Hearing Date: May 9, 2012
Livingston County DHS

ADMINISTRATIVE LAW JUDGE: Christopher S. Saunders

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on May 9, 2012. The claimant personally appeared and provided testimony.

ISSUE

Did the department properly close the claimant's Adult Medical Program (AMP) case due to excess income?

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 a recipient of AMP benefits during all the time periods relevant to this matter.
2. An application for State Disability Assistance (SDA) and Medical Assistance (MA) benefits was submitted on behalf of the claimant on March 16, 2012. (Department Hearing Summary).
3. Based on information provided on the March 16, 2012 application, the department determined that the claimant had monthly income of [REDACTED]. (Department Exhibit 1).
4. The monthly income of [REDACTED] placed the claimant over the allowable income limit for the AMP program. (Department Exhibit 2).
5. The department then sent the claimant a notice of case action (DHS 1605) on March 21, 2012 stating that her AMP case would be closing due to excess income. (Department Exhibits 3-5).
6. The claimant filed a request for hearing on March 26, 2012, protesting the closure of her AMP case.

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. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

The Adult Medical Program (AMP) is established by Title XXI of the Social Security Act; (115)(a)(1) of the Social Security Act, and is administered by the Department of Human Services (DHS or department) pursuant to MCL 400.10, *et seq.* Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Bridges Reference Manual (BRM).

Department policy states Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. BAM, Item 105, p. 5. Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See BAM 130 and BEM 702. BAM, Item 105, p. 8.

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.

For the AMP program, income eligibility exists when the program group's net income does not exceed the program group's AMP income limit. BEM 640. The group's net income is determined after subtracting deductions from the group's allowable gross income. BEM 640.

In the case at hand, the claimant testified that she did not fill out the application in question. She did not remember filling out the application and stated that the handwriting on the application was not her own. The handwriting on the claimant's request for hearing clearly does not match the handwriting on the application. During the time the application was submitted, the claimant testified that she was hospitalized in an inpatient psychiatric unit. It appears from the testimony that someone from the hospital (possible a social worker) filled out the application for the claimant. The claimant also testified that she did receive money for her car in the month of March from her step-father but that she does not receive [REDACTED] monthly. She testified that she received that amount because she needed to renew her license and license tags that month, so her step-father helped her out with those expenses. She testified that she does not receive [REDACTED] per month from her step-father.

The department representative testified that no verifications were requested as the claimant indicated in her interview that the funds provided by her step-father are sent directly to her. The department representative further testified that no verifications were requested because policy directs that no verifications are needed when a claimant's statement as to income would put them over the income limit.

In this case, the claimant was already active for AMP benefits and submitted a new application for SDA/MA benefits. The claimant's AMP case was closed based on information contained in the new application. There were no verifications requested for the new application. BEM 503 states that unearned income is to be verified at application, including a program add. BEM 505 also states that income is to be verified at application and redetermination. Additionally, income is to be verified when a change results in a benefits increase, or when change information is unclear, inconsistency, or questionable. Here, the claimant submitted an application for MA benefits that she was not currently receiving. Therefore, she submitted a new application for a program add. Accordingly, verification should have been requested regarding the reported income. The claimant testified that she does not remember giving information stating that she receives \$400.00 per month and further stated that when questioned during her interview, she thought the question related to money given to her in the month of March, not in an ongoing capacity. Verifications would have resolved any discrepancies or questions with the income information. The Administrative Law Judge finds that the department should have requested verification of the income reported by the claimant on her application and therefore erroneously closed the claimant's AMP case.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department improperly closed the claimant's AMP case due to excess income.

Accordingly, the department's actions are **REVERSED**.

It is HEREBY ORDERED that the department shall request verification of the claimant's income in accordance with policy and initiate a determination of eligibility for AMP benefits. If the claimant is found to be otherwise eligible, the department shall reinstate benefits back to the date of closure (April 1, 2012) and, if applicable, issue any past due benefits due and owing that the claimant is otherwise eligible to receive.

/s/ _____
Christopher S. Saunders
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: June 4, 2012

Date Mailed: June 4, 2012

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.

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