

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

**IN THE MATTER OF:**



Reg. No: 201249426  
Issue No: 2001  
Case No: [REDACTED]  
Hearing Date: June 6, 2012  
Calhoun 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 June 6, 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.
2. A wage match inquiry determined that the claimant had been employed and receiving income from that employment that had not been reported to the department. (Department Exhibit 1).
3. After contacting the claimant, the department ran a new budget for the claimant using the income that he was receiving. (Department Exhibit 5).
4. The new budget showed that the claimant's income exceeded the allowable limit for the AMP program.
5. The claimant was sent a notice of case action (DHS 1605) on April 24, 2012, informing him that his AMP case would be closing due to excess income as of June 1, 2012. (Department Exhibit 7).
6. The claimant submitted a hearing request on April 27, 2012, protesting the closure of his 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 the department did not include in his budget the amounts that he pays out of each paycheck for child support. The claimant testified that the department was aware of this obligation. At the hearing, the department representative testified that the department did check their departmental interface system to see if child support payments had been made, however, the system showed that there had been no payments made and in turn, no credit was given for child support payments. At the hearing, the claimant produced paychecks showing that child support had in fact been withheld from his paychecks. Additionally, his paychecks showed the actual amount of income the claimant was making at his employment. Based on the information presented at the hearing, it appears that the department used improper amounts regarding the claimant's income and expenses. Therefore, the Administrative Law Judge finds that the department improperly determined the claimant's eligibility for AMP benefits.

**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 initiate a redetermination of the claimant's eligibility for AMP benefits aso fthe date of negative action (June 1, 2012). The department shall allow the claimant to submit check stubs showing the amount of child support deducted from his checks as well as his income amount. The departmetn shall use the verified amounts to determine the claimant's eligibility for AMP benefits.

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

Date Signed: June 20, 2012

Date Mailed: June 20, 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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