

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012 25264
Issue No.: 3003, 2014
Case No.: [REDACTED]
Hearing Date: November 16, 2011
County: Wayne County DHS (15)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 November 16, 2011. from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of Department of Human Services (Department) included [REDACTED], ES and [REDACTED], ES.

ISSUE

Due to excess income, did the Department properly deny the Claimant's application close Claimant's case for Medical Assistance and impose a spenddown for her daughter?
 reduce Claimant's benefits for Food Assistance due to excess income?

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 checked="" type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> Child Development and Care (CDC). |

2. On 10/1/11 and 11/1/11, the Department denied Claimant's application closed Claimant's case Claimant's Medical Assistance and imposed a spend down on her daughter's Medical Assistance due to excess income.
On 10/1/11 the Department reduced Claimant's benefits for food assistance due to excess income.
3. On 9/27/11, the Department sent Claimant Claimant's Authorized Representative (AR) notice of the denial. closure. reduction.
4. On October 7, 2011, Claimant or Claimant's AHR filed a hearing request, protesting the denial of the application. closure of the medical assistance case. reduction of benefits of Food Assistance.

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 AAC, 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 this case the Department reduced the Claimant's Food Assistance and closed the Claimant's Medical Assistance for herself and imposed a spenddown for the Claimant's child due to excess income. The Department mistakenly counted only half the Claimant's income when originally computing the benefits. The income amounts used to recompute the new budgets were based on pay stubs provided by the Claimant and are correct.

A review of the medical budgets indicate that the Department properly closed the Claimant's Medical GP2 case, as her earned income exceeded the income limit of \$375 for an adult caretaker and her daughter's income limit of \$500 was exceeded by \$1604. This was based on earned income from employment and child support income. The budgets as calculated and presented by the Department are correct.

The Department also correctly calculated the Claimant's Food Assistance effective October 1, 2011 when it included the correct earned income of \$1941 and child support received. The Food Assistance was reduced because the Department included the correct earned income of \$1941 and child support for June, July and August. It was noted during the hearing that the Claimant received no child support in September and the Department agreed to recalculate benefits to account for the loss of child support income to be reflected in December 2011 FAP benefits. The Claimant also challenged the Fap budget as incorrect, as it did not include child care expenses she incurred and provided to the Department. The Claimant credibly testified that she provided the information on two occasions to her prior assigned Department caseworker and to her current caseworker. Based on Claimant's testimony the Department is required to recalculate FAP benefits for July, August, September, October, and if applicable, November 2011 to include the valid child care expenses incurred by the Claimant when computing the Claimant's FAP benefits for those months.

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 FAP benefits
- closed Claimant's case

for: AMP FIP FAP MA SDA CDC.

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 FAP benefits
- closed Claimant's case FOR Medical Assistance and imposed a spenddown on the claimant's daughter's Medical Assistance.

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 when it closed the MA case and imposed a spenddown did not act properly when it calculated the Claimant's FAP benefits without including child care expenses.

Accordingly, the Department's AMP FIP FAP MA closure and spenddown calculation SDA CDC decision is AFFIRMED

The Department's FAP decision is REVERSED for the reasons stated on the record and in this decision.

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

1. The Department shall initiate recalculation of the Claimant's FAP benefits to include child care expenses for the months of July, August, September, and October 2011 (and November if provided by the Claimant).
2. The Claimant shall have 10 days from the receipt of this Decision and Order to submit the child support expenses for July, August, September, October, 2011 and November, if not already resubmitted.
3. The Department shall issue a supplement to the Claimant for any FAP benefits she was otherwise entitled to receive in accordance with Department policy for the recalculated FAP benefit months.


Lynn M. Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 11/23/11

Date Mailed: 11/23/11

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

LMF/hw

cc:

