

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201272605
Issue No.: 2026; 3019
Case No.: [REDACTED]
Hearing Date: October 25, 2012
County: Wayne (18)

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 October 25, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], JET Specialist.

ISSUE

Did the Department properly provide Claimant and her children with Medical Assistance (MA) coverage with monthly deductibles?

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

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 was an ongoing recipient of FAP and MA benefits.
2. In connection with a redetermination, the Department recalculated Claimant's FAP and MA budgets.
3. On August 14, 2012, the Department sent Claimant a Notice of Case Action advising her that, effective September 1, 2012, the Transitional Medical Assistance (TMA) she and her children received would close and she would be eligible for MA

coverage with a monthly deductible of \$1614 and her children would each be eligible for MA coverage with monthly deductibles of \$2175.

4. Claimant's FAP benefits were also affected by the redetermination.
5. On August 20, 2012, Claimant filed a hearing request disputing the Department's actions.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services 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 Mich Admin Code, 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.

MA Case

In connection with Claimant's redetermination, the Department closed the TMA coverage Claimant and her two children received and notified Claimant that, effective September 1, 2012, she was eligible for MA coverage with a monthly deductible of \$1614 and each of her children was eligible for MA coverage with monthly deductibles of \$2175.

At the hearing, the Department was unable to explain why Claimant's TMA case was closed. TMA is a FIP-related Group 1 MA category, and coverage under TMA is available to eligible clients for up to 12 months. BEM 111 (January 1, 2012), p 1. The Department also failed to present an MA budget for Claimant or her children to show the calculation of their monthly deductibles. In the absence of such evidence, the Department has failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Claimant's TMA case and determined that she and her children were eligible for MA coverage with the deductibles indicated.

FAP Case

Claimant's FAP benefits were affected as a result of the recalculation of her FAP budget following the redetermination. The Department did present a FAP budget for September 1, 2012, ongoing, showing that, while Claimant's net income exceeded the net income limit applicable to the FAP program, she was nevertheless eligible for monthly FAP benefits of \$37. A review of the Department reference tables confirms that a client with net income of \$1629 (the amount calculated by the Department) exceeds the net income limit for a FAP group size of three (Claimant's FAP group size), but is nevertheless eligible for monthly FAP benefits of \$37 if the group is a categorically eligible FAP group. See RFT 250 (October 1, 2011), p 1; RFT 260 (October 1, 2011), pp 14-15; BEM 213 (October 1, 2011), p 3. While Claimant denied receiving such benefits, testifying that her benefits were reduced to \$19 for August 2012 and then closed in September 2012, the Department did not present a Notice of Case Action or eligibility summary showing the changes to Claimant's FAP benefits and effective date of those changes. It did not establish whether Claimant's FAP group was categorically eligible. However, it testified in presenting its hearing summary that Claimant's FAP benefits were reduced, not closed. Under these facts, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it recalculated Claimant's FAP budget in processing the redetermination.

Furthermore, Claimant disputed the Department's calculation of her income. The FAP budget showed earned income totaling \$2784. The Department testified that it based the calculation of income on Claimant's statement that she earned \$1295 in gross income every two weeks. At the hearing, Claimant testified that her gross biweekly income was less than \$1295 and fluctuated from one pay period to the next. The Department is required to verify income at the redetermination unless the client is

clearly ineligible for benefits. BAM 130 (May 1, 2012), p 1; BEM 501 (July 1, 2012), p 7. Because it is unclear based on the evidence presented by the Department that Claimant was ineligible for FAP benefits based on her own statements concerning her earned income, the Department did not act in accordance with Department policy when it calculated her gross monthly income based on Claimant's statement.

During the hearing, Claimant also noted that she had day care expenses. While Claimant is eligible for a deduction for dependent care expenses she incurs on a monthly basis (See BEM 554 (January 1, 2011), p 6), Claimant acknowledged that she had not disclosed such expenses in her redetermination. Therefore, the Department acted in accordance with Department policy when it did not include a deduction for dependent care expenses in the FAP budget for September 1, 2012, ongoing. Claimant was advised that verification of such expenses could affect future FAP eligibility and the amount of FAP benefits she was eligible to receive.

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


did not act properly when it failed to satisfy its burden of showing that it acted in accordance with Department policy when it calculated Claimant's monthly FAP benefits and provided Claimant and her children with MA coverage with monthly deductibles.

Accordingly, the Department's decision is AFFIRMED REVERSED 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 reprocessing, in accordance with Department policy and consistent with this Hearing Decision, Claimant's redetermination;
2. Recalculate Claimant's MA and FAP budgets as of the effective date of the redetermination in accordance with Department policy and consistent with this Hearing Decision;
3. Issue supplements for any FAP benefits Claimant was eligible to receive but did not from the effective date of the redetermination;
4. Provide Claimant and her children with MA coverage they are eligible to receive from the effective date of the redetermination; and

5. 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: 10/30/2012

Date Mailed: 10/30/2012

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/hw

cc:

