

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

**IN THE MATTER OF:**



Reg. No.: 201277293  
Issue No.: 3003  
Case No.:   
Hearing Date: January 2, 2013  
County: Wayne (57)

**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 January 2, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of Department of Human Services (Department) included Assistance Payment Worker.

**ISSUE**

Did the Department properly  deny Claimant's application  close Claimant's case 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 type="checkbox"/> Medical Assistance (MA)?                  | <input type="checkbox"/> Child Development and Care (CDC)?  |
| <input type="checkbox"/> Direct Support Services (DSS)?            |   |

**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  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 type="checkbox"/> Medical Assistance (MA).                  | <input type="checkbox"/> Child Development and Care (CDC).  |
| <input type="checkbox"/> Direct Support Services (DSS).            |   |

2. On September 1, 2012, the Department  
 denied Claimant's application      closed Claimant's case  
due to excess income.
3. On August 28, 2012, the Department sent  
 Claimant      Claimant's Authorized Representative (AR)  
notice of the      denial.      closure.
4. On September 10, 2012, Claimant filed a hearing request, protesting the  
 denial of the application.      closure of the case.

### **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.

Direct Support Services (DSS) is administered by the Department pursuant to MCL 400.57a, et. seq., and Mich Admin Code R 400.3603.

Additionally, Claimant applied for FAP benefits on August 17, 2012. In an August 28, 2012, Notice of Case Action, the Department approved Claimant for FAP benefits of \$72 for the period between August 17, 2012 and August 31, 2012 and closed her FAP case effective September 1, 2012, based on excess income.

At the hearing, the Department presented FAP budgets showing the calculation of Claimant's prorated FAP benefits for August 2012 and the calculation of her net income for September 2012 resulting in the closure of her FAP case. The August FAP budget shows that Claimant's gross monthly earned income totaled \$1111. The September FAP budget shows that Claimant's gross monthly earned income totaled \$1653.

In using past income to prospect future income, the Department uses income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month or income from the past 60 or 90 days for fluctuating or irregular income if the past 30 days is not a good indicator of future income and the fluctuations of income during the past 60 or 90 days appear to accurately reflect the income that is expected to be received in the benefit month. BEM 50 5 (October 1, 2010), pp 4- 5. At the hearing, the Department testified that Claimant's gross monthly earned income for both August 2012 and September 2012 ongoing was based on the following employment income: \$340.11 on July 6, 2012; \$301.07 on July 13, 2012; \$555.45 on July 20, 2012; \$342.13 on July 27, 2012; \$265.65 on August 10, 2012; and \$263.64 on August 17, 2012. The Department was unable to explain why this paystub information used to calculate Claimant's gross monthly income resulted in different gross earned income for August 2012 and for September 2012 ongoing. Claimant confirmed that she had not provided, or been requested to provide, any additional paystubs to the Department. The paystubs provided show that Claimant's income for August decreased compared to July income (although there appears to be a missing paystub for August 3, 2012). It is unclear how, based on the paystub information provided, the Department calculated the gross monthly income figure of \$1111 for August 2012 and \$1653 for September 2012. Thus, the Department has failed to satisfy its burden of showing that it calculated Claimant's gross monthly income in accordance with Department policy.

Furthermore, at the hearing, Claimant credibly testified that the \$555.45 paycheck on July 20, 2012, included vacation pay and was not expected to recur. The Department confirmed on the record that the paystub for that payment indicated that \$322 of the payment was vacation pay. The Department is required to discard pay from the last 30

days if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, p 4. Thus, the Department did not act in accordance with Department policy if it considered the \$555.45 paycheck in calculating Claimant's gross monthly earned income.

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 the Department

properly denied Claimant's application     improperly denied Claimant's application  
 properly closed Claimant's case             improperly closed Claimant's case

for:    AMP    FIP    FAP    MA    SDA    CDC    DSS.

**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.     did not act properly.

Accordingly, the Department's  AMP    FIP    FAP    MA    SDA    CDC    DSS decision is  AFFIRMED    REVERSED for the reasons stated above and on the record.

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

1. Reinstate Claimant's FAP case as of August 17, 2012;
2. Begin recalculating Claimant's FAP budget for August 17, 2012, ongoing in accordance with Department policy and consistent with this Hearing Decision;
3. Issue supplements to Claimant for any FAP benefits she was eligible to receive but did not from August 17, 2012, ongoing; and
4. 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: January 9, 2013

Date Mailed: January 9, 2013

**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:

