

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012 26746
Issue No.: 3003, 2001
Case No.: [REDACTED]
Hearing Date: March 8, 2012
County: Oakland County DHS (03)

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 March 8, 2012, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payments Worker, and [REDACTED] Assistance Payments Supervisor.

ISSUE

Due to excess income, did the Department properly deny the Claimant's application close Claimant's case reduce Claimant's benefits for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)? | <input checked="" 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)? |

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 checked="" 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). |

2. On February 1, 2012, the Department denied Claimant's application closed Claimant's case reduced Claimant's benefits due to excess income and failure to verify employment. (Exhibit 3 (2) Notices of Case Action dated January 10, 2012).
3. The Claimant completed a Redetermination in September 2011 and no verification of income was sought by the Department until January 10, 2012. (Exhibits 2 and 4).
4. On December 26, 2011 the Claimant contacted the Department by telephone leaving a message with her caseworker to advise the Department that she was no longer working. The Claimant's last day of work was December 23, 2011.
5. The Department sent a Verification Checklist to the Claimant on January 10, 2012. (Exhibit 4).
6. The Claimant timely responded to the Department's request for Verification prior to the January 20, 2012 due date when she faxed the information to the Department prior to the due date. (Exhibit 4 and Claimant Exhibit 1).
7. On January 10, 2012 , the Department sent (2) Notices of Case Action to Claimant Claimant's Authorized Representative (AR) giving notice of the denial. closure. reduction.
8. The Notices of Case Action closed the Claimant's FAP case for failure to verify information and the AMP case due to excess income. (Exhibit 3).
9. In January 2012 the Claimant had no earned income. (Claimant Exhibit 1).
10. On January 20, 2012, Claimant or Claimant's AHR filed a hearing request, protesting the denial of the application. closure of the case. reduction of benefits.

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 AACCS, 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, the evidence produced at the hearing by the Claimant indicated that she provided an Employment Verification to the Department before the verification due date of January 20, 2012. The Verification of Employment established that the Claimant received no income after December 23, 2011, which was her last check from her then employer. The Claimant had no income in January 2012, (30 days prior to the Department's action closing her case). (Claimant Exhibit 1). Clearly the Department could not have found the Claimant ineligible for AMP based upon either December 2011 reported income or January 2012 zero income. In January 2012 the Claimant had no income and in December 2011 the Claimant's verified earned income was only \$515. The Department did not provide an AMP budget which it relied upon to close the Claimant's case. The Department's decision to close the Claimant's AMP case due to excess income was in error.

The Claimant credibly testified that she faxed the Verification of Employment to the Department before the due date. The Verification of Employment was due January 20 2012. The Verification Checklist is dated January 10, 2012. (Claimant Exhibit 1). To the extent the Department closed the Claimant's FAP case due to her failure to verify income for FAP benefits, it acted incorrectly, as the Claimant timely filed the verification. Exhibit 4. It is also noted that the Department took action to close the Claimant's case prior to the Verification Checklist due date. The Department issued its Notices of Case

Action on January 10, 2012, but the Verification Checklist due date was January 20, 2012. (Exhibit 2 and 3).

The Administrative Law Judge also must amend its decision made on the record. The decision of the undersigned made on the record that the Department should use October 2011 income when making its determination about the Claimant's FAP and AMP eligibility determination was made without the benefit of several exhibits made available only after the hearing. The conclusion that the Department should use October 2011 income was made without the benefit of the Department's Verification Checklist (Exhibit 4) and the two Notices of Case Action, (Exhibit 3) and the Claimant's Exhibit I, the Verification of Employment. Based upon the information provided by fax after the hearing, it is determined that the Department should have used either the December 2012 or the January 2012 income when it took action on February 1, 2012. The evidence presented by the Department did not support the Department's earned income calculation utilized to calculate the Claimant's FAP and AMP benefits eligibility, and did not consider that the Claimant's employment had ended and thus she had no income.

Based upon the above Findings of Fact and Conclusions of Law, the Administrative Law Judge concludes that, due to excess income, and failure to verify employment and income the Department properly improperly

- denied Claimant's application
- reduced Claimant's benefits
- closed Claimant's case

for: AMP FIP FAP MA SDA CDC.

DECISION AND ORDER

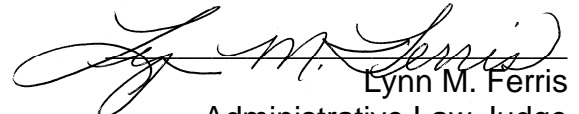
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department did act properly did not act properly.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is AFFIRMED REVERSED for the reasons stated 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. The Department shall initiate reinstatement of the Claimant's FAP and AMP case retroactive to the date of closure, February 1, 2012.
2. The Department shall determine Claimant's eligibility for FAP and AMP benefits based upon the Claimant's verification of employment (Claimant Exhibit 1) provided at the hearing and shall use income from December 2011 to make its determination of eligibility for of FAP and AMP benefits.

3. The Department shall use zero income for January 2012 when calculating the Claimant's February 2012 benefits as the Claimant was not employed from, and after, December 23, 2011.
4. The Department shall issue a supplement for any FAP and AMP benefits, if any, the Claimant is otherwise entitled to receive in accordance with Department policy.


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

Date Signed: March 13, 2012

Date Mailed: March 13, 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 to:

Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

LMF/hw

201226746/LMF

cc:

