

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

**IN THE MATTER OF:**



Reg. No.: 201228697  
Issue No.: 6019  
Case No.: [REDACTED]  
Hearing Date: May 17, 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 May 17, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED] and Authorized Hearing Representative (AHR). Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Manager, and [REDACTED] Eligibility Specialist.

**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 type="checkbox"/> Adult Medical Assistance (AMP)?              |
| <input type="checkbox"/> Food Assistance Program (FAP)?     | <input type="checkbox"/> State Disability Assistance (SDA)?           |
| <input type="checkbox"/> Medical Assistance (MA)?           | <input checked="" 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 type="checkbox"/> Adult Medical Assistance (AMP).              |
| <input type="checkbox"/> Food Assistance Program (FAP).     | <input type="checkbox"/> State Disability Assistance (SDA).           |
| <input type="checkbox"/> Medical Assistance (MA).           | <input checked="" type="checkbox"/> Child Development and Care (CDC). |

2. On December 28, 2011, the Department  denied Claimant's application  closed Claimant's case  reduced Claimant's benefits due to excess income.
3. On December 28, 2011, the Department sent  Claimant  Claimant's Authorized Representative (AR) notice of the  denial.  closure.  reduction.
4. On January 6, 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 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, the Department denied Claimant's December 12, 2011, CDC application on December 28, 2011 on the basis that the group's gross monthly income exceeded the CDC income limit.

Claimant had a five-member CDC group. A group with five members with gross monthly income in excess of \$ 2746 is not eligible for CDC benefits. RFT 270; BEM 703. In this case, the Department calculated that Claimant's CDC group had gross monthly income of \$2886, with \$1169.60 attributable to Claimant's employment income and \$1717.25 attributable to Claimant's husband's employment income. Claimant verified that she received biweekly income of \$544. Claimant's biweekly income multiplied by 4.3, in accordance with Department policy, results in gross monthly income of \$1169.60, consistent with the Department's calculation.

In calculating Claimant's husband's monthly income, the Department testified that it relied on the following: \$480 he received on November 17, 2011 for 40 hours of employment; \$480 he received on November 24, 2011 for 40 hours of employment; \$288 he received on December 1, 2011 for 24 hours of employment; and \$384 he received on December 8, 2011 for 32 hours of employment. Claimant's husband testified that his income fluctuated, and that he generally worked between thirty and forty hours per week. The Department testified that it did ask Claimant's husband about the fluctuations in his income and was informed that he worked between 30 and 40 hours per week. However, the Department did not request pay stubs for any additional periods.

Although 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, it must discard a pay from the past 30 days if it is unusual and does not reflect the normal, expected pay amounts (such as overtime that is not expected to recur) and must document which pay is being discarded and why. BEM 505. Further, when the income from the preceding thirty days is not a good indicator of future fluctuating or irregular income, the Department should use income for the preceding sixty or ninety days if that is a more accurate reflection of the income that will be received in the future. BEM 505.

Because there were fluctuations in Claimant's husband's income and the Department was aware of these fluctuations, the Department did not act in accordance with Department policy when it limited its calculation of Claimant's husband's income to 30 days.

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
- closed Claimant's case

for:  AMP  FIP  FAP  MA  SDA  CDC.

### DECISION AND ORDER

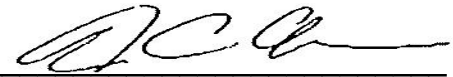
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

did act properly  did not act properly.

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

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

1. Reregister Claimant's December 12, 2011 CDC application;
2. Begin reprocessing the application in accordance with Department policy and consistent with this Hearing Decision;
3. Issue supplements to Claimant's CDC provider for any CDC benefits Claimant was eligible to receive but did not from December 12, 2011, ongoing; and
4. Notify Claimant of its decision in writing in accordance with Department policy.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 23, 2012

Date Mailed: May 23, 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

Re consideration/Rehearing Request

P. O. Box 30639

Lansing, Michigan 48909-07322

ACE/cl

cc:

