

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2012 60438  
Issue No.: 3015  
Case No.: [REDACTED]  
Hearing Date: July 25, 2012  
County: Wayne County DHS (76)

**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, telephone hearing was held on July 25, 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 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 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 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).  |

The Claimant claimed and received Michigan State Lottery winnings in the amount of \$2916, on or about 5/7/12. Exhibit 1

2. On 7/1/12, the Department  denied Claimant's application  
 closed Claimant's case  reduced Claimant's benefits  
due to excess income.
3. On 6/14/12, the Department sent  
 Claimant  Claimant's Authorized Representative (AR)  
notice of the  denial.  closure.  reduction.
4. On 6/18/12, 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 AACS, 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, at the hearing the facts established were that the Claimant received and cashed lottery winnings in the amount of \$2916. The Department processed a new budget and determined that the Claimant's net income exceeded the net income limit for a group of one person. Exhibit 5. At the hearing the Claimant advised that she cashed the lottery ticket for a boyfriend of a family member and did not receive the lottery winnings. It is specifically found that the Claimant did receive the lottery winnings notwithstanding her testimony.

After the hearing concluded a review of the relevant policy was made and it was determined that the lottery winnings were a lump sum payment received and should have been treated as an asset in the month received. Based upon this analysis the Department improperly closed the Claimant's FAP case. Therefore, the decision made on the record by the undersigned, that affirmed the Department's action is revised accordingly to reflect the actual requirements of DHS policy which must be followed and thus is modified and the Department's action is reversed. The analysis and review is provided below.

The Bridges Program Glossary defines a lump sum as follows:

LUMP SUM- A one-time payment that is not an accumulation of monthly benefits.

Examples: Income tax refunds, inheritances, insurance settlements, injury awards

BEM 500 provides that lump sums are treated as assets starting the month received. The asset limit for FAP recipients is \$5, 000. BEM 400.

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.

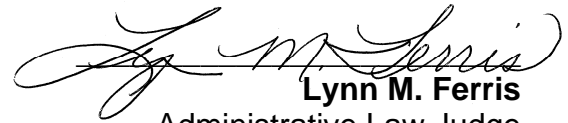
### **DECISION AND ORDER**

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, 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 reopen and the Claimant's FAP case retroactive to July 1, 2012, and determine whether the Claimant was eligible for FAP benefits.
2. The Department is ordered to determine the Claimant's assets for the month she received the lottery winnings and determine whether the Claimant's assets exceeded the FAP asset limit for the month in question.
3. The Department shall provide a supplement to the Claimant for any FAP benefits she was otherwise entitled to receive, if any, in accordance with Department policy.

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

Date Signed: July 27, 2012

Date Mailed: July 27, 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:

201260438/ LMF

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

LMF/hw

cc:

