

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012 72595
Issue No.: 3008, 3015
Case No.: [REDACTED]
Hearing Date: September 26, 2012
County: Wayne County DHS(19)

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 September 26, 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

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)? |

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) |

On 8/14/12, the Department

denied Claimant's application closed Claimant's case
due to failure to verify checking account, excess earned income and student status
of the Claimant. Exhibit 1

The Claimant indicated on the application that she was enrolled in school half time.

The Claimant was not working while attending school.

The Claimant did not provide the Department verification of the Claimant's checking
account, as requested by the Department.

The Department incorrectly calculated earned income due to self-employment,
based upon the 2011 tax return provided by the Claimant, to demonstrate income
from self employment.

2. On 8/14/12, the Department sent
 Claimant Claimant's Authorized Representative (AR)
notice of the denial. closure.
3. On 8/20/12, Claimant filed a hearing request, protesting the
 denial of the application. closure of the case.

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 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 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 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, in this case, the Claimant requested a hearing when her FAP application filed online was denied by the Department on three grounds. The Department denied the application due to failure to verify information requested by the Department and provide copies of the Claimant's checking account statements. The Claimant conceded that the request for verification might not have been submitted. Thus, there exists a valid basis for the denial. Department of Human Services, Bridges Administrative Manual, (BAM) 130, (2011).

The Department also denied the application on the basis that the Claimant's student status left her ineligible to receive FAP benefits, as she indicated on the application that she attended school half time and testified that she was not working. BEM 245 requires that a student enrolled half time or more in school work at least 20 hours a week to be eligible for FAP benefits. In this case it appears that the Claimant was not enrolled half time, having dropped a class. However, the Department based its denial on the representations made in the application which indicated half time attendance. Thus, the Department correctly denied the Claimant's application on the basis of her student status. Department of Human Services Bridges Eligibility Manual (BEM) 245, (2011).

Lastly, the Department denied the Claimant's FAP application on the basis that the earned income from self-employment (from a business owned by Claimant's husband) disqualified the FAP group from receiving FAP benefits due to excess income. The Department reviewed a 2011 tax return provided by the Claimant to establish self-employment income and granted a 25% credit off the business income reported to account for business expenses. Department of Human Services Bridges Eligibility Manual (BEM) 502, pp2-3 (2011). Although this is an allowable method to determine business expenses, the actual expenses were provided as part of the tax return and would have yielded a significantly lower monthly income. The Department's error in this regard would have required that the Department redetermine the earned income. However, as set forth above in the two preceding paragraphs, the Department had two

other legitimate grounds to deny the FAP application and did so properly, and in accordance with Department policy. Exhibit 8 , pp2.

The Claimant is urged to reapply for FAP benefits.

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.

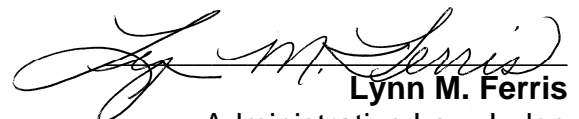
DECISION AND ORDER

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:


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

Date Signed: 10/4/2012

Date Mailed: 10/4/2012

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

LMF/hw

cc:

