

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

IN THE MATTER OF:



Reg. No.: 2013-23165
Issue No.: 1018, 2015, 3003
Case No.: [REDACTED]
Hearing Date: February 14, 2013
County: Wayne (17)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

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 conducted from Detroit, Michigan on Thursday, February 14, 2013. The Claimant appeared and testified. Participating on behalf of the Department of Human Services ("Department") was [REDACTED].

ISSUE

Whether the Department properly denied the Claimant's application for cash assistance benefits based on excess income?

Whether the Department properly changed the Claimant's medical assistance under the Low-Income Family to Transitional Medicaid based on the Claimant's new employment?

Whether the Department properly reduced the Claimant's food assistance allotment?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Claimant was an ongoing food assistance and Medicaid recipient.
2. On November 20, 2012, the Department received a New Hire Client Notice showing that the Claimant began full-time employment on September 5, 2012. (Exhibit 1, pp. 3, 4)
3. The Claimant submitted an application for cash assistance on December 17, 2012.

4. The Claimant's earnings from employment exceed \$597.00 per month. (Exhibit 1, pp. 6 - 10)
5. On December 18, 2012, the Department denied the application for cash assistance due to excess income. (Exhibit 1, pp. 15 – 16; 24 – 28)
6. The December 18th Notice of Case Action also notified the Claimant that due to the income from employment, the Claimant's food assistance allotment would be reduced. (Exhibit 1, pp. 24 - 28)
7. The Notice of Case Action notified the Claimant of the approval for transitional Medicaid ("TMA"). (Exhibit 1, pp. 24 – 28)
8. On December 26, 2012, the Department received the Claimant's timely written request for hearing. (Exhibit 1, pp. 1, 2)

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Reference Tables ("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, Rules 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 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, Rules 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.

As a preliminary matter, the Claimant requested a hearing regarding his FIP, FAP, and MA benefits. Each program will be addressed separately.

FIP

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (November 2012), pp. 1, 2. All income is converted to a monthly amount. BEM 505 (October 2010), p. 1. A standard monthly amount must be determined for each income source used in the budget. BEM 505, p. 1. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505, p. 6. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505, p. 6.

The FIP income limit for a group size of 4 is \$597.00. RFT 210 (January 2009), p. 1. For purposes of determining FIP eligibility, a dependent child is an unemancipated child who lives with a caretaker and is under age 18 or age 18 and a full-time high school student. BEM 210 (October 2011), p. 1.

In this case, the Department received verification of the Claimant's new employment. For the period from September 14th through November 23, 2012, the Claimant's average bi-weekly pay was \$986.63. Pursuant to policy, this amount is converted to a monthly figure by multiplying it by 2.15, for a total of \$2,121.00. When determining FIP eligibility, the Department used this income figure along with a group size of 4 which resulted in a denial due to excess income. The MA group size was 4 because pursuant to BEM 210, the Claimant's one daughter no longer met the definition of a dependent under this program because she was age 18 and no longer a full-time high school student. As such, she was properly excluded.

During the hearing, the Claimant questioned the inclusion of his overtime. In removing the Claimant's gross overtime pay; averaging the bi-weekly pay; and then converting to a monthly standard, the Claimant's gross monthly earnings were \$1,583.09 which still exceeds the \$597.00 FIP limit. As such, the Department established it acted in accordance with policy when it denied the Claimant's FIP application due to excess income.

MA

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105 (October 2010), p. 1. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105, p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. BEM 105, p. 1. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP-related categories. BEM 105, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105, p. 1. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105,

p. 1. The income limit, which varies by category, is for non-medical needs such as food and shelter. BEM 105 Medical expenses are not used when determining eligibility for FIP-related and SSI-related Group 1 categories. BEM 105, p. 1. Low Income Family (“LIF”) and Transitional Medicaid (“TMA”) are FIP-related Group 1 MA categories. BEM 105, p. 3; BEM 110 (January 2011), p.1; BEM 111 (October 2012), p. 1. TMA eligibility is considered only after LIF coverage ends. BEM 111, p. 1. TMA is available for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker. BEM 111, p. 1.

The income limit for a group size of 4 for the LIF program is \$626.00. RFT 243 (July 2007), p. 1.

In this case, the Claimant received MA benefits under the LIF program. After he began full-time employment, he was no longer eligible under the LIF program because his monthly gross earnings exceeded the \$626.00 limit. Pursuant to policy, the Department approved the Claimant for TMA coverage. In light of the foregoing, the Department established it acted in accordance with department policy when it approved the Claimant for MA benefits under the TMA program. Accordingly, the Department’s actions are AFFIRMED.

FAP

All countable earned and unearned income available to the client must be considered in determining the Claimant’s eligibility for program benefits. BEM 500 (November 2012), pp. 1, 2. All income is converted to a monthly amount. BEM 505 (October 2010), p. 1. A standard monthly amount must be determined for each income source used in the budget. BEM 505, p. 1. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505, p. 6. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505, p. 6.

For FAP purposes, parents and their children under 22 years of age who live together must be in the same group regardless of whether the child(ren) have their own spouse or child who lives with the group. BEM 212 (November 2012), p. 1.

As discussed above, after averaging and then prospectively budgeting the Claimant’s earnings from employment, the standard monthly amount is \$2,121.00. This is the income figure used when the Department determined the Claimant’s FAP eligibility. The group size for FAP purposes was 5 because the same daughter that was excluded for FIP purposes is included in the FAP group pursuant to BEM 212 (see above). As a result of the income, the Claimant’s FAP benefits were properly reduced. Ultimately, the Department established it acted in accordance with Department policy when it reduced the Claimant’s FAP benefits as a result of income from employment. Accordingly, the Department’s FAP determination is AFFIRMED.

As a final note, the Claimant pointed out that he submitted a timely hearing request that should have resulted in the continuation of FAP benefits at the higher amount (when employment income was not considered). Policy provides that a timely hearing request

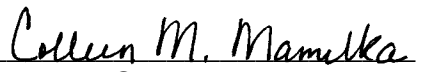
(the day before the negative action effective date) results in the continuation or restoration of benefits pending the hearing. BEM 220 (November 2012), p. 8. In this case, despite the timely hearing request, the negative action was not deleted resulting in the Claimant receiving the reduced FAP amount effective February 1, 2013. Although the Department erred in failing to delete the negative action pending this hearing, the error is harmless in that ultimately, the Department established that it properly calculated the Claimant's monthly FAP allotment. Additionally, had the Claimant continued to receive the higher FAP benefit amount, the Claimant would have been over-issued FAP benefits which would be subject to recoupment.

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 acted in accordance with policy when it found the Claimant ineligible for FIP benefits due to excess income. It is further found that the Department's approval for TMA benefits and the reduction of FAP benefits due to new employment is AFFIRMED.

Accordingly, it is ORDERED:

The Department's FIP, MA, FAP determinations are AFFIRMED.


Colleen M. Mamelka
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 21, 2013

Date Mailed: February 22, 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

CMM/tm

cc:

