

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 20133944  
Issue No.: 2014; 3015  
Case No.: [REDACTED]  
Hearing Date: December 19, 2012  
County: Wayne (17)

**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 December 19, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED], Claimant's daughter. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payment Worker.

**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) case under the Medicare Savings Program (MSP) and her Food Assistance Program (FAP) case?

**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 was an ongoing recipient of FAP and MA.
2. In April 2012, Claimant received \$2608 in lottery winnings.
3. The Michigan State Lottery reported Claimant's winnings to the Department, and the Department recalculated Claimant's ongoing MA and FAP budgets.
4. On May 29, 2012, the Department sent Claimant a Notice of Case Action notifying her that, effective July 1, 2012, her FAP case would close because her net income exceeded the net income limit and her MSP case for Qualified Medicare Beneficiary (QMB) benefits would close because her income exceeded the limit for the program.

5. On June 6, 2012, Claimant filed a request for hearing, disputing the Department's actions.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services 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 Mich Admin Code, R 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 (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 Mich Admin Code, R 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.

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 Mich Admin Code, R 400.3151 through R 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 Mich Admin Code, R 400.5001 through R 400.5015.

Additionally, for FAP purposes, the Department treats lump-sum payments as assets starting the month received. BEM 500 (April 1, 2012), pp 4-5. Therefore, the Department did not act in accordance with Department policy when it recalculated

Claimant's FAP budget to include the \$2608 in lottery winnings as unearned monthly income and closed her FAP case for exceeding the FAP net income limit.

For MA purposes, lump-sum payments are income in the month received unless the income is excluded. BEM 500, p 5. There is no policy provision excluding lottery winnings as countable income. See BEM 503 (July 1, 2012). Therefore, Claimant's \$2608 in lottery winnings were income in the month received, which the Department testified was April 2012. Because the lottery winnings were not ongoing income and were only income for April 2012, the Department did not act in accordance with Department policy when it included the income in Claimant's May 2012 MA budget and closed her case effective July 1, 2012. While the Department may be entitled to recoup any benefits Claimant improperly received in April 2012 if it finds that she had excess income to qualify for QMB during that month, it erred in closing her case effective July 1, 2012, ongoing.

### **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 when .  
 did not act properly when it closed Claimant's FAP and MSP cases.

Accordingly, the Department's decision is  AFFIRMED  REVERSED for the reasons stated on the record and above.

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

1. Reinstate Claimant's FAP and MSP cases as of July 1, 2012;
2. Issue supplements to Claimant for FAP benefits she was eligible to receive but did not from July 1, 2012, ongoing; and
3. Provide MSP coverage to Claimant she is otherwise eligible to receive from July 1, 2012, ongoing.



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

Date Signed: December 21, 2012

Date Mailed: December 21, 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

ACE/cl

cc:

