

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

IN THE MATTER OF:



Reg. No.: 2013 4687
Issue No.: 2026, 3003
Case No.: [REDACTED]
Hearing Date: December 19, 2012
County: Wayne (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 December 19, 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 and [REDACTED] ES..

ISSUE

Due to income, did the Department properly deny the Claimant's application close Claimant's case calculate 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 checked="" type="checkbox"/> Medical Assistance (MA) Deductible? | <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 checked="" type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> Child Development and Care (CDC). |

2. On 10/1/12, the Department denied Claimant's application closed Claimant's case reduced Claimant's benefits notified Claimant that her FAP benefits were \$18 and that she had Medical Assistance with a \$651 deductible based on her income.
3. On 9/26/12, the Department sent Claimant Claimant's Authorized Representative (AR) notice of the denial. closure. reduction approval for FAP and Medical with a deductible
4. On 10/1/12, Claimant or Claimant's AHR filed a hearing request, protesting the denial of the application. closure of the case. reduction of benefits requesting a hearing to determine how her benefits for FAP and Medical deductible were calculated.

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 a thorough review of the Claimant's FAP budget was conducted and the Department explained in detail how the amount of income both based on unemployment and RSDI received by Claimant's daughter were determined and the correct formula was applied. Exhibits 1 and 4. The Claimant also confirmed that the correct rent amount was used by the Department and the excess shelter expense was reviewed and explained. Based upon the evidence presented it is determined that the Department properly calculated the Claimant's Food Assistance benefits.

The Claimant also receives medical assistance and requested an explanation how the medical assistance deductible was calculated. At the hearing a budget was reviewed but the explanation given by the Department did not review the calculation but merely relied on the Bridges system calculation.

Based on the evidence produced the Department did not sustain its burden of proof. The budget discussed at the hearing was not provided to the undersigned until after the hearing, and thus no review could be made at the time of the hearing. Exhibit 4. The budget to determine the medical deductible is determined based upon a series of steps found in Department of Human Services Bridges Eligibility Manual, (BEM) 536 (1/2010).

Following the formula set out in policy the unearned income Claimant receives from unemployment totals \$1364 per month. Claimant testified she receives \$692 bi-weekly. Policy directs that the gross income is to be divided by a pro rate divisor determined by adding the number of dependents in the fiscal group to 2.9 and dividing the gross income by the pro rate divisor. In this case the gross income \$1384 is divided by 3.9 as the Claimant has one dependent and the result is \$354. ($\$1384 \div 3.9 = 354.$)

The next step requires that \$354 be then deducted from the gross income to determine the adult's share of the adult's own income which equals the total net income of \$1030. ($\$1384 - 354 = \1030). It is noted that this sum as calculated by the Department as (\$1026) in the budget provided was different by \$4.

The next step requires that the Income limit parameter established by policy as a minimum income limit for eligibility for medical assistance be deducted from the total net income, \$1030, to determine the deductible. The income limit for one adult person in living in Wayne County is \$375 as established by RFT 240, (7/2007). Thus the deductible is total net income of $\$1030 - \$375 = \$655$ deductible. As the budget was

not reviewed at the hearing it cannot be determined why the Department's deductible is lower than as calculated above.

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 income, the Department

- properly calculated Claimant's FAP benefits
 - improperly calculated the Claimant's deductible
- 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 in calculating the FAP benefits
- did not act properly in calculating the Claimant's deductible.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is

- AFFIRMED with regard to the calculation of FAP benefits
- REVERSED for the reasons set forth above as the MA deductible budget was not explained as to how the deductible was determined and as 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 initiate recalculation of the Claimant's MA deductible amount to determine the correct amount in accordance with Department policy.



Lynn M. Ferris
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

LMF/cl

cc:

