

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

IN THE MATTER OF:



Reg. No.: 2013-8259
Issue No.: 1017
Case No.: [REDACTED]
Hearing Date: April 11, 2013
County: Wayne (82-19)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 April 11, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUE

Due to excess income, did the Department properly deny the Claimant's application close Claimant's case reduce Claimant's benefits for:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Family Independence Program (FIP)? | <input type="checkbox"/> Adult Medical Assistance (AMP)? |
| <input 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 checked="" type="checkbox"/> Family Independence Program (FIP). | <input type="checkbox"/> Adult Medical Assistance (AMP). |
| <input 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). |

2. On November 1, 2012, the Department denied Claimant's application closed Claimant's case reduced Claimant's benefits due to excess income.
3. On October 17, 2012, the Department sent Claimant Claimant's Authorized Representative (AR) notice of the denial. closure. reduction.
4. On October 23, 2012, 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 AACCS, 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.

All countable earned and unearned income available to the client must be considered in determining a claimant's eligibility for program benefits. BEM 500 (November 2012), pp. 1-2. A group's financial eligibility and monthly benefit amount are determined using: actual income (income that was already received) or prospected income amounts (not received but expected). BEM 505 (October 2010), p. 1. All income is converted to a monthly amount. BEM 505, p. 1. A standard monthly amount must be determined for each income source used in the budget. BEM 505, p. 1. Prospect income using a best estimate of income expected to be received during the month (or already received). BEM 505, p. 2. The Department should seek input from the client to establish an estimate, whenever possible. BEM 505, p. 2. 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 3 is \$492. RFT 210 (January 2009), p. 1. Additionally, the Department will deduct \$200 from each person's countable earnings. BEM 518 (November 2012), p. 4. The Department will then deduct an additional 50% of each person's remaining earnings. BEM 518, p. 4. Finally, the Department will subtract budgetable income from the certified group's payment standard for the benefit month. BEM 518, p. 1.

In this case, Claimant submitted a redetermination in October of 2012 in which she indicated that she was employed. The Department then received verification of Claimant's new employment from "The Work Number." The verification only revealed one bi-weekly pay for the period from September 21st through October 6th, 2012, with a gross income of \$328.41. Due to the fact that the Department only had one bi-weekly pay available, the Department used prospective budgeting to convert Claimant's bi-weekly pay to a monthly amount. BEM 500, pp. 1-2. The Department took the bi-weekly amount of \$328.41 and multiplied it by 2.15, for a total of \$706. BEM 505, p. 6. Therefore, the Department calculated an earned income of \$706 for Claimant. (See Exhibit 3.) Then, the Department deducted \$200 from the \$706 in countable earnings, resulting in \$506. BEM 518, p. 4. The Department then deducted an additional 50% of the remaining earnings of \$506, yielding a net income of \$253. BEM 518, p. 4. The Department then deducted the budgetable income of \$253 from the group's payment standard, which in this case was \$492 for a group size of 3. RFT 210, p. 1; BEM 518, p.1. This resulted in a monthly benefit amount of \$239. RFT 210, p. 1; BEM 518, p.1. As such, the Department properly calculated Claimant's FIP monthly benefit amount.

However, at the hearing, Claimant questioned the calculation of her earned income because she testified that she receives fluctuating income. Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (November 2012), p. 7. Claimant testified that her bi-weekly pay can range from \$105 to \$328. Claimant also testified that she works a total of 20-30 hours every bi-weekly pay. The

Department credibly testified that it relied on the information it received and verified with the redetermination. The Department testified that only the one bi-weekly pay of \$328.41 was provided via The Work Number. (See Exhibit 2.) Claimant testified that she advised the Department of her fluctuating pay when she received the Notice of Case Action on October 17, 2012. However, Claimant testified that she was unsure if she told the Department of the fluctuating pay in the redetermination. Based on the foregoing evidence and credible testimony, the Department properly calculated Claimant's earned income by using the one bi-weekly pay Claimant received because that was what the Department had available at the time of calculation. As such, the Department established it acted in accordance with policy when it reduced Claimant's FIP 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, 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.


Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: April 15, 2013

Date Mailed: April 15, 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 affect the substantial rights of the claimant:
 - 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

EJF/pf

cc:

