

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201311583  
Issue No: 1018, 2014, 3015  
Case No: [REDACTED]  
Hearing Date: January 2, 2013  
Calhoun County DHS

**ADMINISTRATIVE LAW JUDGE:** Christopher S. Saunders on behalf of  
Administrative Law Judge Suzanne Morris

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on January 2, 2013. The hearing was held before Administrative Law Judge Suzanne Morris, however, due to the unexpected absence of ALJ Morris, the undersigned Administrative Law Judge is writing the hearing decision in her stead. The undersigned Administrative Law Judge has reviewed the case file, all the admitted exhibits, and has listened to the audio recording of the hearing. The claimant personally appeared and provided testimony and was represented by a attorney [REDACTED]. [REDACTED] also provided testimony on behalf of the claimant. Assistant Attorney General [REDACTED] represented the department.

**ISSUE**

Did the department properly deny the claimant's application for Food Assistance Program (FAP), Family Independence Program (FIP), and Medical Assistance (MA) benefits due to excess income?

**FINDINGS OF FACT**

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

1. On October 18, 2012, the claimant submitted an application for FAP, FIP, MA, and Child Development and Care (CDC) benefits.
2. On her application, the claimant stated that her household consisted of herself and her three children. (Department Exhibit 1).
3. On August 29, 2012, the claimant submitted a MIChild and Healthy Kids application in which she identified her husband as a member of her household. (Department Exhibit 2).

4. Due to the discrepancy in the household composition on the applications, the department case worker requested an investigation be conducted by the Office of Inspector General (OIG) to determine the proper composition of the household. (Department Exhibit 3).
5. After the investigation, the OIG determined that the claimant's husband was still residing in the household.
6. The department subsequently added the claimant's husband to her group composition.
7. After the addition of the claimant's husband and in turn, his income, the department determined that the claimant had excess income for FAP, FIP, CDC, and MA eligibility.
8. On November 1, 2012, the department sent the claimant a notice of case action (DHS 1605) stating that her application for FIP, FAP, MA, and CDC was denied due to excess income. (Department Exhibit 5).
9. On November 8, 2012, the claimant filed a request for hearing protesting the denial of her application for FIP, FAP, MA, and CDC.

### **CONCLUSIONS OF LAW**

At the commencement of the hearing, the claimant testified that she did not wish to proceed forward with the portion of the hearing pertaining to the CDC assistance. She testified that she did, however, wish to proceed forward with the hearing pertaining to all the other programs.

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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 of Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (DHS or department) administers the FIP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. 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. Medicaid is also known as Medical Assistance (MA).

In the case at hand, the claimant is contesting the department's determination that her husband be included in her group composition. The department determined that the claimant's husband was required to be included in her group composition, and therefore included his income in determining the claimant's eligibility for benefits. As a result of including the husband's income, it was determined that the claimant had excess income for all relevant benefit programs.

Department policy requires that certain individuals be included in a certified benefit group for the purpose of determining program eligibility. In relation to FIP group composition, policy states as follows:

#### **Mandatory FIP EDG Members**

When cash assistance is requested for a dependent child, or a dependent child is a mandatory FIP EDG member, all of the following individuals who live together are in the FIP EDG:

- Dependent Child.
- Child's legal parent(s).
- Child's legal siblings who meet the definition of a dependent child (siblings have at least one legal parent in common).
- Legal parent(s) of the child's siblings.
- Child's legal stepparent, even after death of or divorce from the parent.
- Child's legal stepsiblings who meet the definition of a dependent child, even after death of or divorce from the parent.
- Child's child. BEM 210, page 4.

#### **Eligibility Determination Group (EDG)/ Program Group**

The EDG means those individuals living together whose information is needed to determine FIP eligibility. Based on data

entry, and rules programmed into the system, Bridges assigns an EDG participation status to each member of the household.

### **EDG Participation Status**

The FIP EDG participation status explains the role the individual plays in the FIP eligibility determination. Individuals having a FIP EDG participation status other than Excluded Adult or Excluded Child, are included in the FIP EDG. The countable income and assets of individuals having an Eligible or Disqualified FIP EDG participation status are considered in determining FIP eligibility. BEM 210, page 2.

In relation to FAP, policy states as follows:

Bridges will help determine who must be included in the Food Assistance Program (FAP) group prior to evaluating the non financial and financial eligibility of everyone in the group. FAP group composition is established by determining all of the following:

1. Who lives together.
2. The relationship(s) of the people who live together.
3. Whether the people living together purchase and prepare food together or separately.
4. Whether the person(s) resides in an eligible living situation; see **LIVING SITUATIONS** in this item.

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### **Spouses**

Spouses who are legally married and live together **must** be in the same group. BEM 212, page 1.

For MA, policy states:

## **FIP-RELATED FISCAL GROUPS**

### **Group 2 FIP-Related MA and Healthy Kids**

Determine the fiscal group for each person who is requesting MA. The fiscal group must be determined separately for each person. In determining a person's eligibility, the only income that may be considered is the person's own income and the income of the following persons who live with the client:

- The client's spouse, and
- The client's parent(s) if the client is a child. BEM 211, page 4.

Accordingly, for all relevant benefits types, if an individual's spouse is living with them, that spouse must be included in the group composition. Additionally, the income of that spouse must be included in the determination of benefit eligibility. BEM 518, BEM 530, BEM 550.

In this case, the claimant contends that her husband was not living with her at the time her benefit eligibility was determined and therefore, he should not have been included in the group composition and his income should not have been factored in when determining eligibility. The department representative testified that she requested that the OIG investigate whether the claimant's husband was living with her due to the August 29, 2012 application that stated he was living in the home.

OIG agent ██████████ testified that she visited the claimant's home unannounced on November 1, 2012. She testified that the claimant's husband's car was at the residence and that the claimant stated to her that her husband's car was in the garage because he had been picked up for work that day. She further testified that the claimant stated to her that while she did have a personal protection order (PPO) against her husband, she was in the process of having said order removed. Ms. ██████████ also testified that she saw clothes belonging to the claimant's husband at the residence and that her investigation of the claimant's husband's employment showed that he still listed the claimant's address as his own in his employment records (see Department Exhibit 4).

The claimant provided exhibits 1 through 4 as evidence that her husband was not living in the home. However, at the time the department made the eligibility determination, only one of those documents was available; Claimant Exhibit 1. Claimant Exhibit 1 is a PPO dated October 22, 2012. Ms. ██████████ referred to this PPO when she testified that the claimant had stated that she was in the process of having it removed. The claimant testified that as of the date she applied for benefits, her husband was not living in the home and that he had in fact not returned to the home during the pendency of the application.

At the time the department made the eligibility determination (November 1, 2012), the only document available to suggest that the claimant's husband was not living in her home was the October 22, 2012 PPO. The OIG determined that the claimant's husband was still living in her home based on the information gathered during her investigation. The undersigned Administrative Law Judge finds that the OIG investigation reasonably concluded that the claimant's husband was living in the home, especially in light of his car being in the garage and the statement from the claimant that he had been picked up for work that day by a friend.

While it is clear that the claimant has taken action in relation to divorce proceedings and a subsequent PPO, the issue at hand revolves around what information the department had available at the time the eligibility determination was made. As of November 1, 2012, only the October 22, 2012 PPO was available to the department and, as earlier stated, the reasonable findings of the OIG investigation. Therefore, this Administrative Law Judge finds that based on the information available at the time, the department properly determined that the claimant's husband was living in her home, was required to be included in the benefit groups, and was required to have his income included in determining eligibility. Accordingly, the department properly included the claimant's husband's income in determining her eligibility for benefits and properly determined that she was over the allowable income limit for the FIP, FAP, and MA programs.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly denied the claimant's application for FAP, FIP, and MA benefits.

Accordingly, the department's actions are AFFIRMED.

It is SO ORDERED.

/s/ \_\_\_\_\_  
Christophe

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r S. Saunders  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: April 30, 2013

Date Mailed: May 1, 2013

**NOTICE:** Administrative Hearings 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. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

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.

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