

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-29183  
Issue No.: 2026;2014; 3015  
Case No.: [REDACTED]  
Hearing Date: March 19, 2013  
County: Wayne County DHS #19

**ADMINISTRATIVE LAW JUDGE:** Carmen G. Fahie

**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 Tuesday, March 19, 2013 from Lansing, Michigan. Participants on behalf of Claimant included the claimant and her husband, George Bozelak. Participants on behalf of Department of Human Services (Department) included [REDACTED], ES and [REDACTED] APSup.

**ISSUE**

Due to excess income, did the Department properly  deny the Claimant's application  close Claimant's case  reduce 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)?       | <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 January 31, 2013, the Department  denied Claimant's application  closed Claimant's case  reduced Claimant's benefits due to excess income.
3. On January 31, 2013, the Department sent  Claimant  Claimant's Authorized Representative (AR) notice of the  denial.  closure.  reduction.
4. On February 11, 2013, 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 1997 AACS R 400.3101-3131. 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 1997 AACS R 400.3001-3015.

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 1998-2000 AACS R 400.3151-400.3180.

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 1997 AACR 400.5001-5015.

Additionally, the claimant's husband was a recipient of Unemployment Compensation Benefits and the claimant was a recipient of child support for an unearned income of \$ [REDACTED] which had previously not been counted by the department. Department Exhibit 27-33.

As a result of excess income, the claimant had a decrease in FAP benefits. After deductions from her gross income of \$ [REDACTED] of \$ [REDACTED] standard deduction for an adjusted gross income of \$ [REDACTED]. The claimant was given a shelter deduction of \$ [REDACTED] resulting from a housing expense of \$ [REDACTED] and heat and utility standard of \$ [REDACTED]. The claimant was given an excess shelter deduction of \$ [REDACTED] with a shelter deduction of \$ [REDACTED] minus 50% of adjusted gross income of \$ [REDACTED]. Since the claimant was not senior, disabled, or a veteran, she was given the shelter maximum of \$ [REDACTED] instead of the \$ [REDACTED]. The claimant had a net income of \$ [REDACTED] which was the adjusted gross income of \$ [REDACTED] minus the excess shelter deduction of \$ [REDACTED]. With a net income of \$ [REDACTED] for a household group size of 4, the claimant was eligible for a maximum FAP benefit of \$ [REDACTED] plus \$ [REDACTED] economic recovery minus 30% of Net Income of \$ [REDACTED] for a monthly benefit of \$ [REDACTED]. Department Exhibit 10-11, and 25.

The department caseworker determined eligibility for MA where the claimant had excess income for MA AD-Care, where the income limit was \$ [REDACTED] but the claimant had a net income of \$ [REDACTED] which resulted in her being denied for MA AD-Care.

As a result of her excess income for MA AD-Care, the claimant was determined eligible for a MA Spenddown/Deductible case. The claimant had unearned income of \$ [REDACTED]. After deductions of a \$ [REDACTED] Adult's prorated income and \$ [REDACTED] of Adult's share of own income, the claimant had a total net income of \$ [REDACTED]. For a group size of 2, with a protected income of \$ [REDACTED] resulting in a deductible of \$ [REDACTED] that they must meet before being eligible for MA. Department Exhibit 26.

The department has met its burden that the claimant is eligible for MA with a deductible of \$ [REDACTED] that she must meet before being eligible for MA. The department has met its burden that the claimant had excess income for MA AD-Care. In addition, the claimant had a reduction in FAP benefits from \$ [REDACTED] to \$ [REDACTED] due to excess income.

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.

/s/  
Carmen G. Fahie  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: March 26, 2013

Date Mailed: March 26, 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.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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

CGF/hj

cc:

