

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

**IN THE MATTER OF:**

██████████  
████████████████████  
████████████████████

Reg. No.: 2014-2765  
Issue No.: 2014; 2026; 3015  
Case No.: ██████████  
Hearing Date: November 7, 2013  
County: Kalamazoo

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

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on Thursday, November 7, 2013, from Lansing, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included Linda Watson, ES.

**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  received:  
 FIP  FAP  MA  AMP  SDA  CDC  
benefits.
2. On September 10, 2013, the Department  denied Claimant's application  closed Claimant's case  reduced Claimant's benefits due to excess income.

3. On September 10, 2013, the Department sent Claimant/Claimant's Authorized Representative (AR) its decision.
4. On September 23, 2013, Claimant/Claimant's Authorized Hearing Representative (AHR) filed a hearing request, protesting 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, PL 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10 and 400.57a and Mich Admin Code, R 400.3101 to .3131.

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 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.

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 to 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

Additionally, the Claimant's received FAP and MA benefits. The Claimant's son receives Social Security RSDI of \$586, which means that none of the Claimant's income is allocated to his son any longer for purposes of MA. Department Exhibit 70-72. The Claimant receives \$1,172 in Social Security RSDI benefits. Department Exhibit 75.

The Department Caseworker determined eligibility for MA where the Claimant had excess income for MA AD-Care. As a result of his excess income for MA AD-Care, the Claimant was determined eligible for a MA Spenddown/Deductible case. The Claimant had RSDI income from Social Security of \$1,172. The Claimant had an adult's pro-rated income of \$300, which resulted from the Claimant's gross income of \$1,172 divided by the standard deduction of 3.9. The Claimant's adult's share of adult's own income was \$870, which resulted from the Claimant's gross income of \$1,172 minus the adult's pro-rated income of \$300. The Claimant had a deductible of \$495, which resulted from his total net income of \$870 minus income limit of \$375. Department Exhibit 25.

As a result of excess income, the Claimant had a decrease in FAP benefits. After deductions from his gross income of \$1,758 of a \$148 standard deduction for an adjusted gross income of \$1,607. The Claimant was given a total shelter deduction of \$818, resulting from a housing expense of \$265.17 and heat and utility standard of \$553. The Claimant was given an adjusted excess shelter deduction of \$15, with a total shelter deduction of \$818 minus 50% of adjusted gross income of \$803. The Claimant had a net income of \$1,592, which was the adjusted gross income of \$1,607 minus the excess shelter deduction of \$15. With a net income of \$1,592, the Claimant qualified with a household group size of 2 for a maximum benefit of \$323 plus \$16 in economic recovery minus 30% of net income of \$478, resulting in a net benefit amount of \$16. Department Exhibit 60-62. BEM 135, 162, 503, and 530. BAM 500.

The Department has met its burden. The Claimant had excess income for MA AD-Care, which resulted in the Claimant being eligible for MA with a deductible of \$495 that he must meet before being eligible for MA. In addition, the Claimant had a reduction in his FAP benefits as a result of excess income from \$168 to \$16 per month..

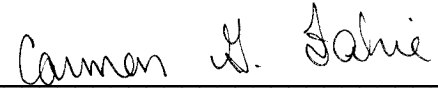
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department

- acted in accordance with Department policy when it reduced the Claimant's FAP benefits to \$16 and properly determined a MA spenddown/deductible of \$495 due to excess income.
- did not act in accordance with Department policy when it .
- failed to satisfy its burden of showing that it acted in accordance with Department policy when it .

**DECISION AND ORDER**

Accordingly, the Department's decision is

**AFFIRMED.**



**Carmen G. Fahie**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 11/15/2013

Date Mailed: 11/15/2013

**NOTICE OF APPEAL:** 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

2014-2765/CGF

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

CGF/pw

cc: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
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