

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

**IN THE MATTER OF:**

██████████  
██  
██████████

Reg. No.: 2013-47671  
Issue No(s): 2010;4001  
Case No.: ██████████  
Hearing Date: November 13, 2013  
County: Oakland (03)

**ADMINISTRATIVE LAW JUDGE:** Zainab Baydoun

**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 November 13, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, Assistance Payment Supervisor.

**ISSUE**

Did the Department properly deny Claimant's Adult Medical Program (AMP) and State Disability Assistance (SDA) applications on the basis that his income exceeded the limit?

**FINDINGS OF FACT**

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

1. On April 4, 2013, Claimant submitted an application for AMP and SDA.
2. On April 8, 2013, the Department sent Claimant a Notice of Case Action informing him that his applications for AMP and SDA had been denied due to his income exceeding the limit.
3. On May 8, 2013, Claimant submitted a hearing request, disputing 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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

### **AMP**

The Adult Medical Program (AMP) is established by 42 USC 1315 and is administered by the Department pursuant to MCL 400.10.

In this case, Claimant submitted an application for AMP on [REDACTED]. AMP provides limited medical services for people not eligible for MA coverage. BEM 100 (January 2013), p.4. The Department testified that it denied Claimant's application because his income exceeded the AMP income limit. (Exhibit 1, pp.4-6). Income eligibility for AMP coverage exists when the AMP group's net income does not exceed the group's AMP income limit. BEM 640 (October 2012), p 3. At the time of Claimant's application, the AMP income limit for Claimant, an individual in an independent living arrangement, was [REDACTED]. BEM 214 (January 2010), p 2; RFT 236 (April 2009), p 1.

In budgeting income at application, the Department must use amounts already received in the processing month and estimate amounts likely to be received during the remainder of the month based on information provided by the client. BEM 640, p 4. When the amount of income from a source changes from month to month, the Department must estimate the amount that will be, or is likely to be, received in the future month. BEM 640, p 4.

At the hearing, the Department did not provide an AMP income budget for the month of [REDACTED] showing the calculation of Claimant's income, but testified that in calculating Claimant's AMP budget, it considered Claimant's unearned income from unemployment. The Department determined that for the processing month, Claimant received unemployment benefits of (i) [REDACTED] on [REDACTED]; (ii) [REDACTED] on [REDACTED] and (iii) [REDACTED]. The Department relied on an Unemployment Compensation Search (UCS) in support of its calculation. (Exhibit 1, pp.14-15).

Claimant testified that his unemployment income ended in [REDACTED], and that for [REDACTED] ongoing, he was no longer receiving income from unemployment. Claimant further testified that a portion of his unemployment income for [REDACTED] was being garnished, so he did not receive the amounts relied on by the Department. The Department calculates the gross income, which includes amounts withheld voluntarily, to repay a debt or to meet a legal obligation. Amounts withheld for garnishments are still considered part of gross income. BEM 500 (January 2013), p. 3.

Because there was no evidence that Claimant had any court-ordered child support that he paid, he was not eligible for any income deductions. BEM 640, p 4. Therefore, because Claimant's net income from unemployment for the processing month of [REDACTED]

█ exceeded the AMP income limit of █ the Department acted in accordance with Department policy when it denied Claimant's AMP application.

### **SDA**

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.

In order to be eligible for SDA benefits, an individual must be in financial need. BEM 515 (November 2012), p 1; BEM 518 (November 2012), p 1. Financial need exists when the individual's budgetable income is less than the applicable payment standard and the client passes the issuance deficit test. BEM 515, p 1; BEM 518, p 1. To perform the issuance deficit test, the Department subtracts budgetable income from the applicable payment standard for the benefit month. BEM 518, p 1. The SDA payment standard is █ for an individual living alone in an independent living arrangement. RFT 225 (October 2011), p 1.

As discussed above, because Claimant had unearned income from unemployment in an amount in excess of the █ standard for █ he was ineligible for SDA.

At application, however, if a client is ineligible due to excess income but a change is expected for the next benefit month, the Department is to process the second month's benefit determination and if eligible, the Department is not to deny the application. BEM 518, p. 2. After further review, the Department processed the second month's benefit determination and determined that Claimant was ineligible for SDA for █.

At the hearing, the SDA Income Test for █ was reviewed. (Exhibit 1, pp.8-9). The Department determined that Claimant had unearned income in the amount of \$█ for █ which the Department testified came from bi-weekly unemployment benefits of █ multiplied by the 2.15 standard multiplier. As discussed above, Claimant testified that his unemployment was not expected to continue after █, and that he did not receive that amount of unemployment benefits for █. The Department acknowledged that the income on the SDA budget was incorrect but testified that according to the UCS, because Claimant received a payment of █ on █, he would still be above the █ SDA payment standard.

Therefore, because Claimant's budgetable income exceeded the SDA payment standard for both █, the Department did act in accordance with Department policy when it denied Claimant's SDA application due to his income exceeding the limit.

The Administrative Law Judge, based on 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 denied Claimant's AMP and SDA applicaitons based on excess income.

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.



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**Zainab Baydoun**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: December 5, 2013

Date Mailed: December 5, 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

2013-47671/ZB

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

ZB/tm

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