

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 2013-45371  
Issue No.: 1018;2018;3002  
Case No.: ██████████  
Hearing Date: June 3, 2013  
County: Oakland (02)

**ADMINISTRATIVE LAW JUDGE:** Zainab Baydoun

**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 June 3, 2013, from Detroit, Michigan. Claimant and her husband, ██████████ ██████████ appeared and testified. Participating on behalf of the Department of Human Services (Department) was ██████████ Eligibility Specialist, and ██████████, Assistance Payment Supervisor.

**ISSUE**

Did the Department act in accordance with Department policy when it processed Claimant's benefits for: Family Independence Program (FIP), Medical Assistance (MA), and Food Assistance Program (FAP)?

**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 an unverified date, Claimant submitted an application for FIP benefits.
2. On April 22, 2013, the Department sent Claimant a Notice of Case Action informing her that her FIP application had been denied effective May 16, 2013 ongoing because the group's countable income exceeded the limit. (Exhibit 1).
3. On an unverified date, Claimant submitted an application for MA for herself and her husband.

4. Claimant was an ongoing recipient of FAP benefits.
5. Claimant was not in agreement with the calculation of her FAP benefits.
6. On April 29, 2013, Claimant filed a request for hearing disputing the Department's actions.

### **CONCLUSIONS OF LAW**

Department policies are found in the Department of Human Services Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Reference Tables Manual (RFT), and State Emergency Relief Manual (ERM).

#### **FIP**

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 Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

Additionally, on an unverified date, Claimant submitted an application for FIP benefits. At the hearing, the Department testified that Claimant's application was denied because her income exceeded the limit. On April 22, 2013, the Department sent Claimant a Notice of Case Action informing her of the denial, effective May 16, 2013 due to excess income. (Exhibit 1). The Department presented a FIP/SDA Income Test indicating that Claimant's income was \$1,095.00, which exceeded the FIP income limit. The Department testified that Claimant applied for FIP benefits; however, the document presented by the Department in support of its decision to deny the FIP application refers to State Disability Assistance. (Exhibit 2). Further, the Department did not provide any evidence regarding the income amounts relied on or what figures were used in determining that Claimant's income exceeded the limit for FIP purposes. (Exhibit 2). Therefore, the Department did not satisfy its burden in establishing that it acted in accordance with Department policy when it denied Claimant's application for FIP benefits due to excess income.

#### **MA**

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 of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

On an unverified date, Claimant applied for MA for herself and her husband. Neither the Department nor Claimant could provide any information as to how many applications were submitted for MA or the dates of those applications. At the hearing, the

Department stated that on April 22, 2013, it sent Claimant a Verification Checklist (VCL) requesting verification of her medical records and forms relating to her alleged disability as well as vehicle ownership information. (Exhibit 4). Claimant was required to respond to the VCL by May 2, 2013 and provide the requested documents. (Exhibit 4). The Department initially testified that Claimant's application for MA was denied due to Claimant's failure to verify requested information; however, the evidence presented does not support this testimony. (Exhibit 4). The Department provided two notices of case action with conflicting information regarding the status of Claimant's application and the reasons for the denial. (Exhibits 1 and 5). The Notice of Case Action sent on May 3, 2013, indicates that Claimant's MA application was denied effective July 1, 2012 ongoing and approved with a deductible effective June 1, 2013. (Exhibit 5). The Department acknowledged that there were certain errors in the processing of Claimant's MA application. The Department stated that Claimant was not eligible for MA but that it did not have the appropriate paperwork to support this for the hearing. Therefore, the Department did not satisfy its burden in establishing that it acted in accordance with Department policy when it processed Claimant's application for MA, as it remained unclear throughout the hearing and upon further review of the evidence exactly what action the Department took and the reason for the action.

## **FAP**

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 Mich Admin Code, R 400.3001 through R 400.3015.

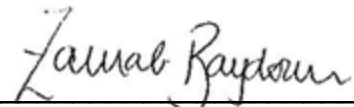
Claimant also requested a hearing concerning the amount of FAP benefits she receives. On May 3, 2013, the Department sent Claimant a Notice of Case Action informing her that effective June 1, 2013, her FAP benefits would be increased to \$270.00. (Exhibit 5). Claimant testified that she reported to the Department at the end of April 2013 that her group was not receiving the amount of unearned income that the Department calculated and does not believe that the Department budgeted her income correctly. At the hearing, the budget summary from the Notice of Case Action was reviewed. The Department determined that Claimant had unearned income in the amount of \$1,483.00 which came from unemployment compensation and supplemental security income (SSI) for Claimant's grandson; however, the Department was unable to explain which figures were relied on in making that determination. Although, Claimant's husband testified that at one point he received \$233.00 in weekly unemployment benefits and that his grandson received \$400.00 in monthly SSI benefits; the Department did not present an SOLQ or an unemployment compensation benefit summary to verify the accuracy of this information or the time period in which the unearned income was received. Therefore, the Department failed to satisfy its burden in establishing that it acted in accordance with Department policy when it calculated Claimant's FAP benefits for the period June 1, 2013 ongoing.

**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 not act in accordance with Department policy when it processed Claimant's benefits for FIP, MA and FAP benefits. Accordingly, the Department's decisions are REVERSED.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister and begin reprocessing Claimant's FIP application from May 16, 2013 ongoing, in accordance with Department policy and consistent with this Hearing Decision;
2. Begin issuing supplements to Claimant for any FIP benefits that she was entitled to receive but did not from May 16, 2013, ongoing;
3. Reregister and begin reprocessing Claimant's MA application in accordance with Department policy and consistent with this Hearing Decision;
4. Begin issuing supplements to Claimant for any MA coverage that she was entitled to receive but did not from May 2013, ongoing in accordance with Department policy;
5. Begin recalculating Claimant's FAP budget from June 1, 2013 ongoing in accordance with Department policy and consistent with this Hearing Decision;
6. Begin issuing supplements to Claimant for any FAP benefits that she was entitled to receive but did not from June 1, 2013; and
7. Notify Claimant of all decisions in writing in accordance with Department policy;



---

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

Date Signed: June 12, 2013

Date Mailed: June 12, 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.

ZB/cl

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