

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

IN THE MATTER OF:

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██████████
████████████████████

Reg. No.: 2014-19512
Issue No(s): 1001;2001;3008
Case No.: ██████████
Hearing Date: January 27, 2014
County: Wayne (41)

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 January 27, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Family Independence Specialist.

ISSUE

Did the Department properly process Claimant's Family Independence Program (FIP), Medical Assistance (MA) and Food Assistance Program (FAP) benefits?

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 November 25, 2013, Claimant submitted an application for FIP benefits, which was denied by the Department.
2. On November 25, 2013, Claimant submitted an application for MA benefits, which was denied.
3. Claimant was an ongoing recipient of FAP benefits.
4. Claimant was not in agreement with the Department's calculation of her FAP benefits for November 2013, December 2013, and January 2014.

5. On December 18, 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).

FIP

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.

In order to receive FIP benefits, a client must establish that financial need exists. BEM 518 (July 2013), p.1. Financial need is established, in part, when an applicant passes the Qualifying Deficit Test. A client passes the Qualifying Deficit Test if the certified group's budgetable income (after applying the qualifying earned income disregard) for the income month is *less* than the certified group's payment standard for the application month. BEM 515 (July 2013), p 1; BEM 518, p.1. The payment standard is dependent on the FIP group size.

In this case, Claimant submitted an application for cash assistance on November 25, 2013. The Department testified that the application was registered and processed. The Department stated that because Claimant was receiving social security benefits, her income exceeded the limit and denied the cash application.

At the hearing, the Department failed to present a Notice of Case Action detailing the exact reason for the denial and did not present a budget detailing the income amounts relied on in making the determination that Claimant's income exceeded the limit. Although the Department testified that it considered Claimant's income from social security for December 2013, Claimant disputed the income amounts and stated that she did not begin receiving her full social security benefit until January 2014.

Based on the foregoing, the Department has not presented sufficient evidence to establish that it acted in accordance with Department policy when it denied Claimant's cash assistance application. Initially, the Department testified that Claimant submitted an application for FIP benefits. However, after further review of the eligibility summary provided, it remained unclear whether the application was for cash assistance under the FIP or under the State Disability Assistance program. Therefore, the Department will be ordered to register and reprocess the appropriate program's application submitted by Claimant on November 25, 2013.

MA

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.

Claimant requested a hearing to dispute the Department's denial of her MA application. The Department testified that Claimant's application was denied on the basis that she was receiving MA under a different case, due to being a recipient of SSI. BEM 150 (January 2014), pp.1-9. The Department failed to present a Notice of Case Action detailing the exact reason for the denial, however.

In support of its testimony that Claimant had active and ongoing MA benefits based on her receipt of SSI, the Department presented a case search summary and stated that Claimant had active MA benefits since November 2009, with an open ended benefit period. (Exhibit 4). This is in direct conflict with the eligibility summary presented which shows that Claimant had a lapse in her MA benefits under the Terminated SSI MA program, specifically with a lapse in coverage during the November 2013, month in which she applied. (Exhibit 5)

After further review of the evidence presented, 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 failed to satisfy its burden in establishing that it acted in accordance with Department policy when it denied Claimant's MA application, as the Department has not established that Claimant had active and ongoing MA benefits based on her receipt of SSI benefits.

FAP

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.

Additionally, Claimant requested a hearing disputing the amount of FAP benefits she received for the months of November 2013, December 2013, and January 2014. At the hearing, Claimant testified that she does not believe the Department properly calculated her FAP benefits for those months.

At the hearing, the Department presented an eligibility summary which establishes that Claimant received FAP benefits in the amount of [REDACTED] for November 2013, [REDACTED] for December 2013, and [REDACTED] for January 2014. (Exhibit 3). The Department stated that in calculating Claimant's unearned income, it relied on Claimant's income from her social security benefit in the amount of \$[REDACTED]. Claimant disputed that amount and stated that

due to an overpayment that is being deducted, she does not receive the full amount of her benefit. Amounts deducted by an issuing agency to recover a previous overpayment or ineligible payment are not part of gross income and are excluded as income. BEM 500 (July 2013), p. 5.

The Department failed to present any FAP budgets for the months at issue to allow the undersigned to make a determination as to whether or not Claimant received the correct amount of FAP benefits for those months or to determine if her FAP budget was properly calculated. Therefore, the Department has failed to satisfy its burden in establishing that it properly calculated Claimant's FAP benefits for the months of November 2013, December 2013, and January 2014.

DECISION AND ORDER

Accordingly, the Department's decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Register and process Claimant's MA and cash assistance applications to determine her eligibility for MA and cash assistance from the application date ongoing;
2. Issue supplements to Claimant for any MA coverage and cash assistance benefits that she was entitled to receive but did not from the application date, ongoing;
3. Recalculate Claimant's FAP budget for November 2013, December 2013, and January 2014, ongoing;
4. Issue supplements to Claimant for any FAP benefits that she was entitled to receive but did not from November 1, 2013, ongoing; and
5. Notify Claimant in writing of its decision.



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

Date Signed: February 3, 2014

Date Mailed: February 4, 2014

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

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]