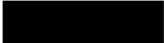


**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES**


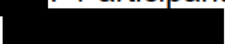
**IN THE MATTER OF:**



Reg. No.: 201421795  
Issue No(s): 2001;3001  
Case No.:   
Hearing Date: February 6, 2014  
County: Oakland (03)

**ADMINISTRATIVE LAW JUDGE:** Robert J. Chavez

**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 February 6, 2014, from Detroit, Michigan. Participants on behalf of Claimant included . Participants on behalf of the Department of Human Services (Department) included .



**ISSUE**

Due to excess assets, did the Department properly  
 deny Claimant's application  close Claimant's case 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"/> State Emergency Relief (SER)?      |

**FINDINGS OF FACT**

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

1. Claimant  applied for  received:  
 FIP  FAP  MA  AMP  SDA  SER  
benefits.
2. Due to excess assets, on  and , the Department  
 denied Claimant's application.  closed Claimant's case.

3. On [REDACTED] and [REDACTED], the Department sent Claimant/Claimant's Authorized Representative (AR) its decision.
4. On [REDACTED] Claimant/Claimant's Authorized Hearing Representative (AHR) filed a hearing request, protesting the Department's actions.

### **CONCLUSIONS OF LAW**

Department policies are found 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).

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 State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Family Independence Agency) pursuant to MCL 400.10 and by Mich Admin Code, R 400.7001 through R 400.7049.

Claimant's MA was denied for two reasons. On [REDACTED], it was denied for excess income; on [REDACTED], it was denied for excess assets. Claimant's FAP was denied starting [REDACTED], due to excess assets.

With regard to the MA denial of [REDACTED], it does not appear that claimant was evaluated for Group 2 eligibility. MA applicants must be evaluated for eligibility under all programs. BEM 105. While it is possible that claimant's income did exceed income limits, MA eligibility is still possible per BEM 545 in the Group 2 Medicaid deductible program. BEM 166. Therefore, the Department erred by not evaluating claimant for Group 2 MA programs.

Furthermore, claimant had informed the Department on [REDACTED] that his income had stopped. Per policy found in BEM 500, the Department is to verify claims of stopped income. The Department never attempted to verify claimant's allegations of stopped income, which could have directly affected is Group 2 or Group 1 MA eligibility. As such, the Department was in error by failing to verify claimant's allegations.

With regard to the asset limit denials, for both the FAP and MA programs, it appears that claimant's application was denied based on claimant's vehicle ownership.

Per Department testimony, no attempt was made to verify the amount owed on the vehicles, though Secretary of State registrations showed liens on two of the three vehicles owned by the claimant. Furthermore, claimant's application showed significant amounts owing on at least one vehicle.

Per BEM 400, with regards to SSI related MA, a program for which claimant was applying, the value of a vehicle is its equity value. Equity value is the fair market value minus the amount legally owed in a written lien provision.

There appears to have been no attempt to verify the equity value of claimant's vehicles, though the value of the vehicles was used to deny claimant's MA application. As such, the Department was in error for failing to verify the equity value.

With regard to the FAP benefit denial, the Department failed to submit evidence that it had properly calculated claimant's vehicle values. No blue book values or the like were submitted, nor any evidence given with regard to how the Department decided that claimant exceeded the asset limit with regard to vehicles for FAP benefits. As such, the undersigned holds that the Department has failed to prove that the FAP application was properly denied.

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 .
- did not act in accordance with Department policy when it denying claimant's MA benefits.

failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied claimant's FAP benefits.

**DECISION AND ORDER**

Accordingly, the Department's decision is

- AFFIRMED.  
 REVERSED.  
 AFFIRMED IN PART with respect to \_\_\_\_\_ and REVERSED IN PART with respect to \_\_\_\_\_.

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. Reprocess claimant's MA and FAP applications, and make attempts to verify claimant's allegations of stopped income, as well as claimant's vehicle value.



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**Robert J. Chavez**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 2/18/2014

Date Mailed: 2/18/2014

**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

RJC/hw

cc:

