

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-002110  
Issue No.: FAP, FIP, MA  
Case No.: [REDACTED]  
Hearing Date: July 22, 2014  
County: Ingham County DHS

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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, an in-person hearing was held on July 22, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant, [REDACTED] friend, and [REDACTED], mother. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Specialist (FIS).

**ISSUES**

Did the Department properly determine Claimant's eligibility for the Family Independence program (FIP)?

Did the Department properly determine Claimant's Food Assistance Program (FAP) monthly allotment?

**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 is an ongoing recipient of FIP and FAP benefits.
2. Claimant's FIP and FAP cases were due for Re-Determination in April 2014.
3. On April 18, 2014, Claimant's completed Re-determination form was received by the Department.
4. Claimant's income from Social Security Administration (SSA) issued benefits had changed from SSI to RSDI.

5. On April 19, 2014, a Notice of Case Action was issued to Claimant stating the FIP case would close effective May 1, 2014 because the redetermination form was not returned.
6. On April 24, 2014 a Notice of Case Action was issued to Claimant stating the FAP monthly allotment would be \$263 effective May 1, 2014.
7. On May 2, 2014 and May 9, 2014, Claimant filed requests for hearing contesting the Department's actions<sup>1</sup>.

### **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, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101 to .3131.

The Eligibility Specialist acknowledged that the April 19, 2014, a Notice of Case Action was issued to Claimant stating the FIP case would close effective May 1, 2014 because the redetermination form was not returned was incorrect. It was uncontested that Claimant submitted the Redetermination form on April 18, 2014. The Eligibility Specialist indicated that case action notice was system generated and she was unable to re-instate the FIP case to issue a notice with the correct denial reason, the FIP group's income was too high to pass the income deficit test.

FIP is temporary cash assistance to support a family's movement to self-sufficiency. BEM 230A.

The FIP group must include a dependent child who lives with a legal parent, stepparent or other qualifying caretaker. The child's legal parent(s) are mandatory FIP group member(s). However, when a FIP group member receives SSI benefits, their income, assets and needs are not considered in determining eligibility. BEM 210.

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<sup>1</sup> On the May 2, 2014 Request for Hearing the Claimant also marked that she was contesting a Medicaid determination. As discussed during the hearing, Claimant was sent two notices the same date regarding Medicaid, an approval and a denial. It was confirmed that ongoing Medicaid was approved and coverage has continued. Claimant withdrew the Medicaid portion of her appeal on the record. Accordingly, the Medicaid portion of this appeal is DISMISSED.

Financial need for FIP exists if: 1) there is at least a \$10 deficit after income is budgeted in the issuance deficit test, and 2) the group passes the child support income test. If the group fails either test, the group is ineligible for assistance. BEM 518.

For the issuance deficit test, Bridges compares budgetable income for the income month using the earned income disregard to the certified group's payment standard for the benefit month. The group is ineligible for the benefit month if no deficit exists or the group has a deficit less than \$10. BEM 518.

For the issuance earned income disregard, the Department is to deduct \$200 from each person's countable earnings. Then deduct an additional 50 percent of each person's remaining earnings. The total disregard cannot exceed countable earnings. Apply this disregard separately to each program group member's earned income. BEM 518.

The FIP monthly payment standard for a group size of two for an eligible grantee was \$[REDACTED] at the time of the May 2014 eligibility determination. RFT 210.

Once Claimant's SSI ended, her income had to be included in determining the FIP group's eligibility. The SOLQ report shows Claimant's RSDI benefit was \$[REDACTED] per month. (Exhibit A, page 5) While the Claimant's income exceeded the monthly FIP payment standard for the FIP group size, it does not appear that the Department first calculated the issuance earned income disregard to determine the countable earnings.

The action specified on the April 19, 2014, Notice of Case Action, closure of the FIP case based on failure to return the Re-determination form cannot be upheld because it is uncontested that the Department received the completed Redetermination form from Claimant on April 18, 2014. Further, it appears the Department also failed to consider the issuance earned income disregard when determining Claimant's FIP group's countable income for the issuance deficit test. Accordingly, the determination to close Claimant's FIP case cannot be upheld.

## 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 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

BEM 550, 554, and 556 address the FAP budget. Certain verified medical expenses are also allowed to be included in the FAP budget. BEM 554.

In this case, Claimant contests the medical expenses not being included in her FAP budget.

On the Re-determination form submitted April 18, 2014, the Claimant did not report any medical expenses. (Exhibit A, page 3) Accordingly, the Department did not include any medical expenses when it initially determined Claimant's FAP monthly allotment.

However, by April 23, 2014, the Department was notified by Claimant and her mother that they had forgotten to report the medical expenses. On April 23, 2014, a Verification Checklist was issued for Claimant to provide proof of the medical expenses by May 5, 2014. (Exhibit A, pages 18-19) Claimant submitted the medical expense verifications on April 30, 2014. (Exhibit 1) The Department did not provide any evidence that they considered the medical expense verifications and re-calculated the FAP budget as appropriate. The Eligibility Specialist explained that the case was re-assigned when the FIP case closed, but acknowledged that the medical expenses verifications provided on April 30, 2014 should have been considered for the May 2014 FAP budget.

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:

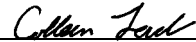
- did not act in accordance with Department policy when it closed Claimant's FIP case.
- failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Claimant's FAP monthly allotment once medical expenses were reported and verifications submitted.

### **DECISION AND ORDER**

Accordingly, the Department's decision **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. Re-instate the FIP case retroactive to the May 1, 2014 effective date and re-determine eligibility in accordance with Department policies.
2. Re-determine the FAP monthly allotment retroactive to May 1, 2014, to include any allowable medical expenses from the verifications Claimant submitted, in accordance with Department policy.
3. Issue written notice of any case action(s) in accordance with Department policy.
4. Issue Claimant any supplemental benefits he may thereafter be due.



Colleen Lack  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **7/25/2014**

Date Mailed: **7/25/2014**

CL/hj

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

cc:

