

4. Claimant contacted the Department upon receiving the notice of case action and indicated the income being budgeted was incorrect as the budget still included employment [REDACTED] where, Claimant stated, her husband no longer worked.
5. On July 3, 2014, Claimant supplied a final paycheck stub from [REDACTED] and a verification of loss of employment as of February 23, 2014.
6. On July 9, 2014, a new budget was completed to reflect the correct income. A new notice of case action was issued.

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).

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.

In the instant case, Claimant returned the semi-annual contact forms with paycheck stubs. The Department completed a new budget resulting in benefits changes for both MA and FAP. Claimant contacted the Department following the notice of case action indicating the budgeted amount of income was incorrect. Claimant told the Department one of Claimant's jobs had ended.

On June 26, 2014, the Department issued a verification checklist regarding Claimant's reporting of her spouse's end of employment [REDACTED]. Claimant had until July 7, 2014, to provide the verification. Claimant provided the verifications requested by July 3, 2014. The Department did complete a new budget for MA benefits. The FAP benefits were not recalculated, as they had closed.

On July 9, 2014, the budgets were corrected to reflect the income from one of the positions ending. Claimant did not dispute the income budgeted for MA benefits. The Department explained the original MA case was opened under Transitional MA benefits. This allowed for a waiver of any spend-down amounts. Since the case was moved out

of Transitional MA, Claimant is no longer eligible for this waiver and excess earnings can and do result in a spend-down amount being established for Claimant's MA benefits case.

Claimant's FAP benefits ended as of July 1, 2014, based upon excess income. The budget completed included the new employment reported on the semi-annual contact form as well as the previously reported employment. Claimant contacted the Department following case closure to indicate the prior employment had ended. While the Department completed a new budget for the reported job loss for ongoing MA coverage, the Department did not complete a new budget for the FAP program as the benefits had already been terminated. The Department's semi-annual contact report that Claimant completed asked if household income had increased by more than \$100. Claimant indicated that it had increased on this form. Claimant answered "no" to the question asking whether anyone had a change in earnings because they changed, started or stopped a job. The first time the Department was informed of the loss of employment and provided verification of this loss was July 3, 2014.

BAM 200 (December 2013), p. 4, indicates when processing the DHS-1046 (Semi-Annual Contact Form), adequate notice is given for all discovered changes. BAM 220, p. 2, indicates adequate notice is a written notice sent to a client at the same time an action takes effect (not pending).

Based upon the above, this Administrative Law Judge finds the Department properly determined Claimant's MA benefits in accordance with policy. Further, the action taken in regard to Claimant's FAP benefits is also found to be correct, as Claimant did not timely report the loss of employment and the Department properly relied on the information provided by Claimant when it completed the updated FAP budget which resulted in the closure of Claimant's FAP benefits.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.



Jonathan W. Owens
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **9/15/2014**

Date Mailed: **9/15/2014**

JWO / pf

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:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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