

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

IN THE MATTER OF:



Reg. No.: 2014-24067
Issue No(s): 2001; 3001
Case No.: [REDACTED]
Hearing Date: February 20, 2014
County: Wayne (55)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 20, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly close Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) benefits effective February 1, 2014, ongoing, due to excess assets?

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 was an ongoing recipient of FAP and MA benefits. See Exhibit 1.
2. On December 2, 2013, the Department received a lottery match winnings regarding Claimant's husband in the amount of \$5,208. See Exhibit 1.
3. On January 8, 2014, the Department sent Claimant a Notice of Case Action notifying her that her MA and FAP benefits would close effective February 1, 2014, ongoing, due to excess assets. See Exhibit 1.

4. On January 21, 2014, Claimant filed a hearing request, protesting the FAP and MA case closures. See Exhibit 1.

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.

FAP benefits

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (January 2014), p. 9. Changes must be reported within 10 days of receiving the first payment reflecting the change. BAM 105, p. 9. Other changes must be reported within 10 days after the client is aware of them. BAM 105, p. 10. These include, but are not limited to, changes in assets. BAM 105, p. 10.

In this case, Claimant was an ongoing recipient of FAP benefits. See Exhibit 1. On December 2, 2013, the Department received a lottery match winnings regarding Claimant's husband in the amount of \$5,208. See Exhibit 1. On January 8, 2014, the Department sent Claimant a Notice of Case Action notifying her that her FAP benefits would close effective February 1, 2014, ongoing, due to excess assets. See Exhibit 1.

At the hearing, Claimant did not dispute the amount of the winnings that her husband received and that he is a member of the group composition. Claimant testified that her husband received the lottery winnings on November 30, 2013. Moreover, Claimant testified that her husband reported the winnings to the Secretary of State. However, Claimant testified that she never reported the winnings to DHS, however, she did testify regarding her medical conditions. Also, Claimant testified that the winnings were never deposited in the bank account due to additional expenses. On or around the first week of December 2013, Claimant testified that they gave some of the winnings to her mother, paid for housing expenses (furnace), and Claimant's medical expenses. Claimant testified that none of the lottery winnings remained in their position.

It should be noted that Claimant provided her bank statement for January 2014, which indicated a negative balance for the checking account and a positive balance for the savings account. See Exhibit A. Moreover, Claimant provided additional medical documents. See Exhibit A.

The Michigan Bureau of Lottery sends lists of lottery winners from the previous week. BAM 809 (December 2013), p. 1. In addition, there is a monthly match to allow for any application that was pending during the month that may have become active. BAM 809, p. 1.

The match contains the client's name, recipient ID, date of birth and social security number along with the gross amount of winnings, the net payout and the date winnings were received. BAM 809, p. 1. If it is found that the match may not be accurate, such as a discrepancy in the winner's information, contact the client. BAM 809, p. 1.

For FAP cases (change reporters and simplified reporters), if the winnings are over \$5,000, take appropriate action to close the case; clients must be given timely notice. BAM 809, p. 2.

The FAP asset limits if \$5,000 or less. BEM 400 (December 2013), p. 5

Based on the foregoing information and evidence, the Department properly closed Claimant's FAP benefits effective February 1, 2014, ongoing, in accordance with Department policy. First, Claimant failed to notify the Department of her husband's lottery winnings. Claimant's testimony indicates that all of the winnings were spent within one week and therefore, possibly not available. However, Claimant failed to notify the Department of the winnings or that the assets are not available. Because Claimant's lottery winnings were over the \$5,000 FAP asset limit, it was proper for the Department to close her FAP benefits due to excess assets effective February 1, 2014, ongoing, in accordance with Department policy. BAM 105, pp. 9-10; BAM 809, pp. 1-2; BEM 400, p. 5.

MA benefits

In this case, Claimant and her husband were ongoing recipients of MA – Low Income Families (LIF) benefits. See Exhibit 1. On January 8, 2014, the Department sent Claimant a Notice of Case Action notifying her that the MA benefits would close effective February 1, 2014, ongoing, due to excess assets. See Exhibit 1.

As stated in the previous analysis, Claimant failed to notify DHS of the lottery winnings and/or that the funds were no longer available. For MA benefits, lump sums and accumulated benefits are income in the month received and may be a countable asset for any subsequent months. BAM 809, p. 2. For LIF cases, lump sums and accumulated benefits are income in the month received. BEM 400, p. 15. The LIF asset limit is \$3,000. BEM 400, p. 6. Because Claimant's lottery winnings were over the \$3,000 LIF asset limit, it was proper for the Department to close her and her

husband's MA – LIF benefits effective February 1, 2014, ongoing, due to excess assets in accordance with Department policy. BAM 105, pp. 9-10; BAM 809, pp. 1-2; and BEM 400, p. 6.

DECISION AND ORDER

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 acted in accordance with Department policy when it properly closed Claimant's MA and FAP benefits effective February 1, 2014, ongoing, due to excess assets.

Accordingly, the Department's FAP and MA decision is AFFIRMED.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 27, 2014

Date Mailed: February 27, 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:

2014-24067/EJF

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

EJF/tlf

cc:

