

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

IN THE MATTER OF:

██████████
██████████
██████████

Reg. No.: 15-011116
Issue No.: 1000;2004;3008
Case No.: ██████████
Hearing Date: August 17, 2015
County: Wayne-District 17

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on August 17, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and 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 December 9, 2014, Claimant submitted an application for MA benefits that was not processed by the Department prior to the hearing date.
2. Claimant was an ongoing recipient of FIP and FAP benefits.
3. In connection with a semi-annual review, Claimant's eligibility for FAP benefits was reviewed.
4. On May 27, 2015, the Department sent Claimant a Notice of Case Action informing her that she was approved for FAP benefits in the amount \$178 for June 1, 2015, ongoing. (Exhibit C)

5. On June 17, 2015, Claimant requested a hearing disputing the Department's actions with respect to her MA, FIP, and FAP benefits.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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 Department of Human Services) 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-.3131.

The hearing was requested to dispute the Department's action taken with respect to Claimant's FIP benefits. Shortly after commencement of the hearing, Claimant testified that she understood the actions taken by the Department and stated that the Department had explained its actions to her. Claimant testified that there was no issue left to be resolved with her FIP case and confirmed that no promises were made to her in exchange for her withdrawal. Accordingly, Claimant's hearing request with respect to FIP is **DISMISSED**.

MA

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Additionally, when the Department receives an application for assistance, it is to be registered and processed in accordance with Department policies. The date of application is the date the local office receives the required minimum information on an application or the filing form. BAM 110 (July 2014), pp.4-7, 18-19. Once an application is registered, the Department must certify eligibility results for each program requested within the applicable standard of promptness (SOP). The SOP begins the date the department receives an application/filing form, with minimum required information. The SOP is 45 days for an MA application in which disability is not an eligibility factor and 90 days for an application involving MA in which disability is an eligibility factor, with this

date being extended in 60 day intervals by deferral by the Medical Review Team. BAM 115 (July 2014), pp. 1,12-19,22-23. The Department is to notify clients in writing of positive and negative actions by generating the appropriate notice of case action, which is printed and mailed centrally from the consolidated print center. A negative action is a Department action to deny an application or to reduce, suspend or terminate a benefit. After processing an initial application, the Department will notify clients of the approval or denial. BAM 115, pp. 1,18;BAM 220 (October 2014), pp. 1-3.

In this case, the Department acknowledged that it had received Claimant's December 9, 2014, MA application but could not explain why the application was not processed or why an eligibility notice was not issued prior Claimant submitting a request for hearing. The Department stated that there was a citizenship hold placed on Claimant's MA case and that prior to the hearing, the Department representative present for the hearing corrected the issue and certified Claimant's MA eligibility. The Department presented an August 17, 2015, Health Care Coverage Determination Notice informing Claimant that she was approved for full coverage MA benefits for the period of January 1, 2015, ongoing. (Exhibit A). It was unclear why Claimant's eligibility for MA for the application month was not determined, however, and the eligibility summary provided does not indicate that Claimant was approved for MA for the December 2014 application month, ongoing. (Exhibit B). The Department confirmed that Claimant should have been eligible for MA benefits for the month of December 2014. Therefore, the Department has failed to establish that it acted in accordance with Department policy when it processed Claimant's December 9, 2014, MA application.

FAP

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, 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 Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, Claimant's FAP eligibility was redetermined in connection with a semi-annual review. On May 27, 2015, the Department notified Claimant that effective June 1, 2015, her monthly FAP benefits would be \$178. (Exhibit C). Claimant requested a hearing disputing the Department's calculation of her FAP benefits for June 1, 2015, ongoing. The budget summary from the Notice of Case Action and the FAP EDG Net Income Results Budget were reviewed to determine if the Department properly calculated Claimant's monthly FAP benefits. (Exhibit C, p. 3; Exhibit D)

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (April 2015), pp. 1 – 5. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 (July 2014), pp. 1-2. In prospecting income, the

Department is required to use income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, p. 5. A standard monthly amount must be determined for each income source used in the budget. BEM 505, p. 7. Income received weekly is converted to a standard amount by multiplying the average of the weekly paychecks by the 4.3 multiplier. BEM 505, pp. 7-8.

The Department concluded that Claimant had earned income in the amount of \$823 which it testified came from Claimant's employment. The Department considered Claimant's weekly pay and relied on the paystubs that she provided. (Exhibit E). Specifically, the Department considered: (i) \$187.45 paid on April 10, 2015; (ii) \$195.50 paid on April 17, 2015; (iii) \$191.53 paid on April 24, 2015; (iv) \$195.60 paid on May 1, 2015; and (v) \$187.45 paid on May 8, 2015. (Exhibit E). After further review and in consideration of the prospective budgeting policy referenced above, the Department properly calculated Claimant's earned income. The Department also properly concluded that Claimant had unearned income of \$91 which consisted of FIP benefits, the amount of which was confirmed by Claimant. BEM 503 (July 2014), p. 14.

The deductions to income on the budget were also reviewed. Claimant's group is eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Standard deduction based on group size.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (October 2014), p. 1; BEM 556 (July 2013), p. 3.

In this case, the Department properly determined that the 20% earned income deduction was \$165 and there was no evidence presented that she had any dependent care or child support expenses. Therefore, the budget properly did not include any deduction for dependent care expenses or child support expenses. Based on the confirmed two person group size, the Department properly applied the \$154 standard deduction. RFT 255 (October 2014), p. 1. Claimant confirmed that she was not responsible for any monthly housing expenses or utility bills. Although Claimant testified that she contributes towards the costs of utilities, there was no evidence presented that Claimant provided the Department with verification of such contribution. The Department properly considered the \$34 telephone standard and determined the amount of Claimant's excess shelter deduction.

After further review, the Department properly reduced Claimant's gross income of \$914 by the \$165 earned income deduction and the \$154 standard deduction, resulting in monthly net income of \$595. Based on net income of \$595 and a FAP group size of two, the Department acted in accordance with Department policy when it concluded that

Claimant was eligible for monthly FAP benefits of \$178. BEM 556; RFT 260 (October 2014), p. 8.

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 calculated Claimant's FAP benefits for June 1, 2015, ongoing.

DECISION AND ORDER

Accordingly, the hearing request with respect to FIP is **DISMISSED** and the Department's decision is **AFFIRMED IN PART** with respect to FAP and **REVERSED IN PART** with respect to MA.

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 December 9, 2014, MA application to determine Claimant's eligibility for MA benefits under the most beneficial category;
2. Provide Claimant with any MA coverage that she was entitled to receive but did not from December 1, 2014, ongoing, in accordance with Department policy; and
3. Notify Claimant of its decision in writing.



Zainab Baydoun
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **8/21/2015**

Date Mailed: **8/21/2015**

ZB / tlf

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

