



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: [REDACTED]
MAHS Docket No.: 16-007367
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Petitioner'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, an in-person hearing was held on [REDACTED], from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

ISSUES

The first issue is whether Petitioner has a dispute concerning Medical Assistance (MA).

The second issue is whether MDHHS properly denied Petitioner's application for Family Independence Program (FIP) due to a group member exceeding the lifetime limit.

The third issue is whether MDHHS properly determined Petitioner's Food Assistance Program (FAP) coverage.

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 [REDACTED], Petitioner applied for FIP and FAP benefits.
2. Petitioner did not apply for MA.

3. Petitioner was a member of a household that included three children and the mother of one or more of Petitioner's children.
4. Petitioner's child's or children's mother received more than 60 months of FIP benefit since June 1996.
5. On an unspecified date, Petitioner submitted property tax documents verifying an annual obligation of \$1,461.17.
6. On [REDACTED], MDHHS denied Petitioner's FIP eligibility, due to a FIP group member exceeding the lifetime limit for receiving FIP benefits.
7. On an unspecified date, MDHHS denied Petitioner's FAP eligibility.
8. On an unspecified date, MDHHS determined Petitioner to be eligible for \$117 in FAP benefits, effective April 2016, and \$272/month in FAP benefits, effective May 2016, in part, based on \$1518/month in employment income and \$120.41/month in housing costs.

CONCLUSIONS OF LAW

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute a denial of MA eligibility for all members of his household. Petitioner testified he received a notice of MA denial, but was not able to produce it during the hearing.

Petitioner testified he completed one application only- the same application he requested FAP and FIP benefits. MDHHS presented Petitioner's Assistance Application dated [REDACTED] (Exhibit 1, pp. 1-20). The application completed by Petitioner is one that does not even allow clients to apply for MA. MDHHS testimony indicated clients must complete a program-specific application to apply for MA benefits.

[For all programs other than Medicaid,] the DHS-1171 [Assistance Application] is used for most applications and may also be used for redeterminations... BAM 110 (January 2016), p. 4. The DCH-1426 [Application for Health Coverage] may be used for all MA categories. *Id.*

Presented evidence verified Petitioner did not apply for MA benefits. Without applying for MA benefits, Petitioner is not entitled to any administrative remedy concerning MA.

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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part to dispute a denial of FIP benefits. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 21-23). The notice verified MDHHS denied Petitioner's FIP eligibility due to a group member exceeding the lifetime limits of FIP eligibility.

It was not disputed that Petitioner was a member of a 5-person household which included Petitioner's three children and his ex-wife who was the mother of one or more of Petitioner's children. Petitioner's ex-wife is a mandatory FIP benefit group member (see BEM 210)

Temporary Assistance to Needy Families (TANF) is the federal grant that funds the overwhelming majority of FIP assistance issued by the Department. BEM 234 (July 2013), p. 1. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) established a five-year (60-month) lifetime limit on assistance for adult-headed families. *Id.* The begin date for the federal time limit counter is [REDACTED]

MDHHS presented Petitioner's ex-wife's FIP benefit history (Exhibit 1, pp. 24-27). The presented history verified Petitioner's ex-wife received 108 countable months of FIP benefits. It is found Petitioner's ex-wife is ineligible for FIP benefits due to exceeding lifetime limits.

Petitioner contended he and his three children should not be affected by his ex-wife's past receipt of FIP benefits. Petitioner's contention has some logic, but it is contradictory to MDHHS policy.

In line with the goals of the Family Independence Program, any group that includes an individual who has received 60 months or more of FIP is not eligible for the FIP program. *Id.* One group member exceeding lifetime FIP limits justifies ineligibility for the entire FIP group. It is found MDHHS properly denied Petitioner's FIP application.

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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute FAP eligibility. Petitioner testimony alleged he should receive more in FAP benefits than issued by MDHHS. For purposes of this decision, it will be assumed Petitioner intended to dispute FAP eligibility from [REDACTED].

MDHHS presented Petitioner's FAP budget from [REDACTED] (Exhibit 1, pp. 28-30). All FAP benefit budget factors were discussed during the hearing. Petitioner conceded group size (5), unearned income (\$743), medical expenses (\$0), dependent care expenses (\$0), and child support expenses (\$98.50) were correctly calculated. Petitioner received the proper standard deduction of \$196 (see RFT 255) and the maximum utility credit (\$539). Petitioner only disputed budgeted employment income and housing costs.

MDHHS budgeted Petitioner's household employment income to be \$1,518. Petitioner testified that his ex-wife is employed, but she makes significantly less money than budgeted by MDHHS. It was not disputed Petitioner submitted two pay stubs to MDHHS, each verifying gross income of \$706.50 for a 2-week period of employment.

MDHHS converts bi-weekly stable income into a 30 day period by multiplying the income by 2.15 (see BEM 505 (April 2016), p. 4). Bridges counts gross [employment] wages... BEM 501 (July 2014), p. 7.

Multiplying Petitioner's ex-spouse's average biweekly wages by 2.15 results in a countable income of \$1,518, the same amount calculated by MDHHS. It is found MDHHS properly calculated Petitioner's household employment income.

It was not disputed Petitioner's only housing costs involved a property tax obligation. MDHHS factored a monthly housing obligation of \$120.41. Petitioner contended his monthly tax obligation is higher (though he provided no specifics or documents).

MDHHS presented Petitioner's 2014 tax bills (Exhibit 1, pp. 31-32). The tax bills totaled \$1,461.17. The monthly average is calculated by dividing the annual amount by 12 (see BEM 505) resulting in a monthly average of \$121.76- a slightly higher amount than factored by MDHHS. The difference in housing costs is so slight, the change may not even impact Petitioner's FAP eligibility. Nevertheless, MDHHS will have to correct the slight error.

It should be noted that Petitioner's April 2016 FAP eligibility was presumably based on the same factors. Petitioner received only \$117 due to pro-rating FAP eligibility based on Petitioner applying for FAP benefits with 13 days remaining in the month. MDHHS will be ordered to affect Petitioner's April 2016 FAP eligibility concerning property taxes.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that Petitioner did not apply for MA benefits and that Petitioner is entitled to no administrative remedy concerning MA benefits. Petitioner's hearing request is **PARTIALLY DISMISSED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's application for FIP benefits due to a group member exceeding the lifetime limit for receiving FIP benefits. The actions taken by MDHHS are **PARTIALLY AFFIRMED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly determined Petitioner's FAP eligibility. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Redetermine Petitioner's FAP eligibility, effective April 2016, subject to the finding Petitioner verified housing costs of \$121.76/month;
- (2) Issue a supplement, if any, of any benefits improperly not issued.

The actions taken by MDHHS are **PARTIALLY REVERSED**.

CG/hw



Christian Gardocki

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to [REDACTED]; 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 48909-8139

DHHS

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]