



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: February 2, 2018
MAHS Docket No.: 17-015159
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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; 42 CFR 438.400 to 438.424; 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 January 18, 2018, from Hamtramck, Michigan. The Petitioner was represented by himself. The Department of Health and Human Services (Department) was represented by Ollie Perin, FIS Case Manager and Dionere Craft, Hearing Facilitator.

ISSUE

Did the Department (State of Michigan) properly obtain repayment of Petitioner's previously received FIP when Petitioner received a lump sum payment from the Social Security Administration for SSI?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Petitioner was a FIP recipient. The Petitioner first applied for FIP benefits on [REDACTED] 2014. Exhibit A
2. The Petitioner when signing and submitting the [REDACTED] 2014 application for FIP was advised that, "If you receive state-funded FIP, you agree to repay DHS if you receive retroactive SSI. You agree to allow Social Security Administration to pay DHS the amount of state- funded assistance you received while your SSI claim was pending. If the first accumulated benefit payment is sent to you, you agree to

pay DHS right away for the state-funded assistance you received while the claim was pending.” Exhibit A, p. 7.

3. The Petitioner’s son’s mother from time to time paid certified child support to the State of Michigan which was received by the Department for July 2016 for \$16.00. The certified child support was \$70.00 per month.
4. In November 2017 the Petitioner was issued a lump sum check for SSI for by the Social Security Administration in the amount of \$9,834.66. The State of Michigan was paid \$4,165 from the total SSI amount in repayment of FIP benefits received by Petitioner from the Department. Petitioner Exhibits 1 and 2
5. The Petitioner also completed an application for FIP on [REDACTED] 2017 and April 21, 2017 in which agreed to repay the Department his state funded FIP once he began to receive SSI. Exhibit A, Exhibit B and Exhibit C.
6. The Petitioner requested a timely hearing on [REDACTED], 2017 protesting the Department’s actions.

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).

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.

In this case, the Petitioner requested a hearing regarding the Department’s right to receive reimbursement for FIP state funded benefits taken from a lump sum payment he received from the Social Security Administration when he was approved for SSI. The State of Michigan was repaid \$4,165 in State Funded FIP previously paid to the Petitioner. The Petitioner had a dependent child and also had earned income during the time he received FIP benefits. The Petitioner disputes the Department repaying itself from his SSI award for FIP cash assistance payments made to him. The Petitioner also objected to the fact that the certified child support received from his minor child’s mother was not credited to him as the Department had received the child support.

Although the Petitioner disputed that he should have to repay the FIP benefits he received, once he was eligible for SSI, the Department’s evidence established that Petitioner agreed to reimburse the Department for FIP benefits received out of SSI

payments when signing each of the applications he submitted for FIP. Thus there is no basis presented that would establish that the agreement to repay FIP benefits made by Petitioner when applying for FIP was not correct factually. Therefore it is determined that the Department was entitled to receive repayment of FIP benefits previously paid to Petitioner out of the SSI lump sum payment.

The Petitioner received FIP benefits in varying amounts during the period of repayment and received \$283.00 monthly from April 2016 to April 2017 and thereafter received FIP in the amount of \$250 monthly. Exhibit D. The Petitioner was a FIP group of 2, the Petitioner and his minor child. The Petitioner also was employed and received earned income of \$440 monthly which increased in May of 2017. Exhibit D. The Department presented several FIP budgets demonstrating that it properly calculated the FIP and applied the correct income deductions both standard and based upon percentage. The FIP payment standard was based upon a group of 2 persons and was \$403. Exhibit E. The Department also reviewed the certified child support paid by the Petitioner's son's mother and in all instances presented the certified child support when paid was less than the FIP payment standard of \$403. RFT 210 (April 2017), p.1. Exhibit E.

In order to receive FIP cash assistance, the recipient certified group must have a financial need. Financial need exists when the certified group passes the **Qualifying Deficit Test**, **Issuance Deficit Test** and the **Child Support Income Test**. BEM 518, (October 2015) p. 1.

At application, Bridges performs the qualifying deficit test by subtracting budgetable income from the certified group's payment standard for the application month; see BEM 515.

To perform the issuance deficit test, Bridges subtracts budgetable income from the certified group's payment standard for the benefit month.

To meet the child support income test, the FIP group's countable income plus the amount of certified support (or amount of support to be certified) must be less than the certified group's payment standard.

The Qualifying Deficit Tests is applied at application and requires:

At application, Bridges compares the budgetable income using the qualifying earned income disregard for the income month to the certified group's payment standard for the application month. The group is ineligible for the application month if no deficit exists. BEM 518, p.3

In this case the qualifying earned income disregard is \$200 and when deducted from the earned income of \$440 based upon the budgets provided was less than the Payment Standard of \$403.

The issuance deficit test is also applied and requires:

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, p. 4

In this case the earned income deductions disregard was applied and a deficit of more than \$10.00 resulted. Exhibit E.

As regard the treatment of certified child support Department policy provides:

A child support income test is required only when the group has certified support of more than \$50. Bridges automatically completes a child support income test whenever a deficit test is required and whenever a change in the amount of certified support is expected to continue.

To complete a child support income test, the group's total voluntary/direct support amounts are added to the gross monthly certified amount (for applicants, this includes the amount **to be** certified).

Up to \$50 from this amount is excluded. The result is added to the group's net earned and other unearned income. Any support paid for persons not in the home is deducted from this total. The resulting amount is compared to the eligible group's payment standard. If the result is equal to or greater than the certified group's payment standard the group is **not** eligible for assistance.

FIP cases that close due to child support exceeding the FIP grant are reported to the worker to record the direct support in Bridges that will now be decertified. BEM 518, p. 4.

In this case the Department confirmed that the certified child support was \$70.00 and for most months was not paid. There was no evidence presented that any voluntary or direct child support was received. Applying the above test \$50 is excluded from the total certified child support thus leaving \$20.00. This \$20 is then added to the net earned income of \$120 resulting in \$140.00. The result (\$140.00) is compared to the payment standard. **If the result is equal to or greater than the payment standard the group is not eligible for FIP.**

The child support is used to determine eligibility and because in this case when added to the net income of Petitioner of \$120 is less than the payment standard, the Petitioner was correctly determined to be eligible for FIP because the countable child support and net income did not exceed the payment standard of \$403. The Petitioner was eligible for \$283 in FIP because the FIP payment standard was more than the certified child support, and net earned income total thus making the Petitioner eligible for FIP. The Department uses certified child support only to determine if the Petitioner would receive more in child support than in FIP which was not the case in Petitioner's case because the certified child support (\$70) was not paid by most months and was significantly less than the FIP grant of \$283.00 received by the Petitioner from the Department.

Even though the Petitioner disputed that he should have to repay the FIP benefits he received, once he was eligible for SSI, the Department's evidence established that Petitioner agreed to the reimbursement when signing each of the applications he submitted for FIP.

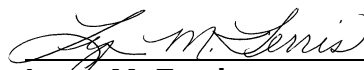
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it received reimbursement of \$4,165.00 from Petitioner's lump sum payment for SSI received from the Social Security Administration.

DECISION AND ORDER

Accordingly, the Department's decision is

AFFIRMED.

LF/cg



Lynn M. Ferris
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 (517) 335-6088; 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

Via Email:

MDHHS-Wayne-55-Hearings
B. Cabanaw
BSC4- Hearing Decisions
MAHS

Petitioner – Via First-Class Mail:

