

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

██████████
Claimant,

Reg No: 2009-21468
Issue No: 3008
Case No: ██████████
Load No: ██████████
Hearing Date:
June 23, 2009
Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Steven M. Brown

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing. After due notice, a telephone hearing was conducted from ██████████ on June 23, 2009.

ISSUE

Whether the Department properly denied Claimant's application for the Food Assistance Program (FAP) and Medical Assistance (MA) and terminated MA for his minor daughter based upon his failure to provide requested verification(s)?

FINDINGS OF FACT

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

(1) Claimant was a MA recipient (coverage for his minor daughter).

(Exhibit 1)

(2) On March 17, 2009, Claimant completed an Assistance Application, DHS-1171, for Family Independence Program (FIP), FAP and MA benefits and was interviewed by the Department. (Exhibits 1, 15)

(3) On March 17, 2009, the Department gave Claimant a Verification Checklist, DHS-3503, with a due date of April 3, 2009. (Exhibit 16)

(4) On April 3, 2009, Claimant withdrew his application for FIP benefits.

(Exhibit 1)

(5) On or about April 3, 2009, Claimant returned the Self-Employment Income and Expense Statement, DHS-431, for February and March 2009 stating that he had no income or expenses. (Exhibits 8, 9)

(6) On April 10, 2009, the Office of Inspector General (OIG) conducted an investigation and concluded that “Information presented to agency does not correspond with, and is, inconsistent with the investigation findings of the Office of Inspector General”. (Exhibit 10)

(7) On April 15, 2009, the Department mailed Claimant an Application Eligibility Notice informing him that his application for MA and FAP benefits was denied due based on his “failure to report all properties, business, income in Michigan & Arizona”. (Exhibit 3)

(8) Claimants’ MA coverage for his minor daughter was also terminated because ongoing eligibility could not be determined by the Department.

(9) On April 28, 2009, the Department received Claimant's hearing request.

(Exhibit 2)

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program, is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department), administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Departmental policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM), and the Program Reference Manual (PRM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. PAM 105, p. 5 Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. PAM 130, p.1 Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level

when it is required by policy, required as local office option or information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. PAM 130, p.1 The Department uses documents, collateral contacts or home calls to verify information. PAM 130, p.1 A collateral contact is a direct contact with a person, organization or agency to verify information from the client. PAM 130, p. 2 When documentation is not available, or clarification is needed, collateral contact may be necessary. PAM 130, p. 2

Clients are allowed 10 calendar days (or other time limit specified in policy) to provide the verifications requested by the Department. PAM 130, p. 4 If the client cannot provide the verification despite a reasonable effort, the time limit should be extended no more than once. PAM 130, p. 4 A negative action notice should be sent when the client indicates a refusal to provide the verification or the time period provided has lapsed and the client has not made a reasonable effort to provide it. PAM 130, p.4

Clients are allowed a reasonable opportunity to resolve any discrepancy between statements and information obtained through another source. PAM 130, p. 6 Disagreements and misunderstandings should be resolved at the lowest possible level to avoid unnecessary hearings. PAM 600, p. 11

In the instant case, the Department denied Claimant's application for FAP and MA benefits and terminated MA for his minor daughter because it was the Department's belief that Claimant failed to report all his income and assets. Claimant completed an application, was interviewed by the Department and timely provided documents to the Department in response to the Verification Checklist. The information Claimant provided

prompted a Department investigation which appears to have raised numerous significant questions, but the findings are also not conclusive on anything. Instead of getting the answers from Claimant, the Department simply denied his application(s) for FAP and MA and terminated MA for his minor daughter. Claimant may very well not be entitled to benefits, but he should have been allowed a reasonable opportunity to resolve any discrepancy before denying his application for FAP and MA benefits and terminating MA for his minor daughter.

With the above said, I do not find that the Department established that it acted in accordance with policy.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department improperly denied Claimant's application for FAP and MA benefits and terminated MA coverage for his minor daughter based on his failure to provide requested verifications.

Accordingly, the Department's action is REVERSED, it is SO ORDERED. The Department shall:

- (1) Re-interview Claimant based on its investigation findings and make any relevant requests to Claimant (and his wife) for information and/or documentation regarding income, expenses, assets, etc. so that it can make a proper determination on his application for FAP and MA benefits and ongoing eligibility for MA for his minor daughter.

- (2) Notify Claimant in writing of the Department's revised determination.
- (3) Claimant retains the right to request a hearing if he would like to contest the Department's revised determination.

/s/

Steven M. Brown
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: June 24, 2009

Date Mailed: June 25, 2009

NOTICE: Administrative Hearings 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. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

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 was made, within 30 days of the receipt date of the rehearing decision.

SMB/db

cc:

[REDACTED]