

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: 2009-23598

Issue No: 3008

Case No: ██████████

Load No: ██████████

Hearing Date:

July 1, 2009

Oakland 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 July 1, 2009.

ISSUE

Whether the Department properly denied Claimant's application for the Food Assistance Program (FAP) based on excess income and denied her application for Medical Assistance (MA) based upon her 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) On September 26, 2008, Claimant applied for FAP and MA by completing an Assistance Application, DHS-1171. (Exhibit 1-16).

(2) On December 10, 2008, the Department mailed Claimant Verification Checklist(s), DHS-3503, a Retroactive Medicaid Application, a Verification of Application or Appeal for SSI/RSDI, DHS-1552, a Medical Needs, DHS-54A, a Medical Social Questionnaire, DHS-49, a Medical Examination Report, DHS-49, an Activities of Daily Living, DHS-49 and an Authorization to Release Protected Health Information, DHS-1555. (Exhibits 17-33)

(3) On December 22, 2008, Claimant returned a statement from her adult son, [REDACTED], who informed the Department that he resides with his mother and pays the rent, utilities and food. (Exhibit 34)

(4) On December 22, 2008, Claimant returned income and asset documentation for [REDACTED]. (Exhibits 35-42)

(5) On February 4, 2009, the Department completed a FAP budget which resulted in excess income and a [REDACTED] monthly benefit allotment. (Exhibits 44-45)

(6) On February 4, 2009, the Department mailed Claimant an Eligibility Notice which informed Claimant that her application for FAP benefits was denied due excess income. (Exhibit 46)

(7) On February 4, 2009, the Department mailed Claimant a Medical Program Eligibility Notice which informed Claimant that she was not eligible for Medicaid because all requested information/verifications were not provided to determine Disability Medicaid. (Exhibit 47)

(8) On February 4, 2009, the Department mailed Claimant an Adult Medical Program Eligibility Notice which informed Claimant that she was not eligible for the Adult Medical Program (AMP) due to a freeze on enrollments. (Exhibit 48)

(9) On March 27, 2009, the Department received Claimant's hearing request.

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).

The Adult Medical Program (AMP) is established by Title XXI of the Social Security Act; (1115)(a)(1) of the Social Security Act, and is administered by the Department of Human Services (DHS or department) pursuant to MCL 400.10, *et seq.* Department policies are contained in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

For FAP purposes, all earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit.

Unearned income means ALL income that is not earned and includes FIP, RSDI, SSI and UB. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. PEM 500

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected.

Prospective budgeting is the best estimate of the client's future income. PEM 505

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15.

PEM 505

Expenses should be allowed if the service is provided by someone outside the FAP group, and someone in the FAP group has the responsibility to pay for the service in money, and verification is provided, if required. The Department must verify the responsibility to pay and the amount of certain expenses and cannot budget expenses that require verification until the verification is provided. It must determine eligibility and the benefit level without an expense requiring verification if it cannot be verified. PEM 554, p. 1-2.

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, Claimant's application for FAP benefits was denied due to excess income. Her application for MA benefits was denied because she did not return the requested proofs to the Department. The DHS-3503s clearly informed Claimant that a failure to return the proofs by the due date could result in her benefits being denied. AMP benefits were denied due to an enrollment freeze.

Because Claimant's application for AMP benefits was denied due to an enrollment freeze, Claimant has no right to a hearing on the denial pursuant to Rule

400.903 of the Michigan Administrative Code and PAM 600 and, in turn, the undersigned has no jurisdiction to hear the issue. I find, however, that the Department established that it acted in accordance with policy in denying Claimant's application for FAP and MA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department properly denied Claimant's application for FAP and MA benefits based on excess income and her failure to provide requested verifications. Accordingly, the Department's FAP and MA eligibility determination is AFFIRMED. Claimant's request for hearing on the denial of her AMP application is DISMISSED.

IT IS SO ORDERED.

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

Date Signed: July 7, 2009

Date Mailed: July 7, 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.

2009-23598/smb

SMB/db

cc:

