

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED]

Claimant

Reg. No: 2009-21227
Issue No: 2018; 6015
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
June 10, 2009
Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

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 held on June 10, 2009. The claimant personally appeared and testified.

ISSUES

1. Did the department properly determine that the claimant and her family were no longer eligible for LIF (Low Income Families) Medical Assistance (MA) and instead qualified for Transitional Medical Assistance (TMA) and Healthy Kids in April, 2009?
2. Did the department properly close the claimant's Child Development and Care (CDC) for failure to return verifications in April, 2009?

FINDINGS OF FACT

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

1. The claimant's case was due for a redetermination. The claimant was mailed a

Semi-Annual Contact Report (DHS-1046) on January 5, 2009. The claimant completed the form and returned it, along with information on her new address and shelter expenses to the department on January 12, 2009. (Department Exhibit 3).

2. On February 11, 2009, the claimant was mailed a Verification Checklist (DHS-3503) that requested a completed Child Care Provider Verification (DHS-4025), paycheck stubs for January and February, 2009, and a completed Child Development and Care (CDC) Application (DHS-4583). These verifications were due by February 23, 2009. (Department Exhibit 5).

3. The claimant returned a Child Care Provider Verification form (DHS-4025) for one of the children on February 26, 2009. (Department Exhibit 6).

4. On April 21, 2009, the caseworker telephoned the claimant. The caseworker informed the claimant that her CDC case had closed because she had not returned the Child Development and Care (CDC) Application (DHS-4583). The claimant had returned the Child Care Provider Verification (DHS-4025) that was mailed with the CDC Application (DHS-4583), but not the actual application. The caseworker told the claimant she would leave a CDC Application (DHS-4583) and two CDC Provider Verification forms (DHS-4025) at the front desk for the claimant to pick up. (Department Exhibit 7)

5. When the Semi-Annual Contact Form (DHS-1046) was completed, the claimant had excess income for Low-Income Families (LIF) Medical Assistance (MA) coverage. The claimant was placed on Transitional Medical Assistance (TMA) and the children were placed on Healthy Kids MA coverage. (Department Exhibit 9).

6. The claimant submitted a hearing request on April 7, 2009.

CONCLUSIONS OF LAW

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 Child Development and Care program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are contained in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Department policy states:

**CLIENT OR AUTHORIZED REPRESENTATIVE
RESPONSIBILITIES**

Responsibility to Cooperate

All Programs

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. PAM, Item 105, p. 5.

Refusal to Cooperate Penalties

All Programs

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. PAM, Item 105, p. 5.

Responsibility to Report Changes

All Programs

This section applies to all groups **except** most FAP groups with earnings.

Clients must report changes in circumstances that potentially affect eligibility or benefit amount. Changes must be reported **within 10 days**:

- . after the client is aware of them, or
- . the start date of employment. PAM, Item 105, p. 7.

Income reporting requirements are limited to the following:

- . Earned income
 - .. Starting or stopping employment
 - .. Changing employers
 - .. Change in rate of pay
 - .. Change in work hours of more than 5 hours per week that is expected to continue for more than one month
- . Unearned income
 - .. Starting or stopping a source of unearned income
 - .. Change in gross monthly income of more than \$50 since the last reported change. PAM, Item 105, p. 7.

See PAM 220 for processing reported changes.

Other reporting requirements include, but are **not** limited to, changes in:

- . Persons in the home
- . Marital status
- . Address and shelter cost changes that result from the move
- . Vehicles
- . Assets

- . Child support expenses paid
- . Health or hospital coverage and premiums
- . Day care needs or providers. PAM, Item 105, pp. 7-8.

Verifications

All Programs

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See PAM 130 and PEM 702. PAM, Item 105, p. 8.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. PAM, Item 130, p. 1.

Obtaining Verification

All Programs

Tell the client what verification is required, how to obtain it, and the due date (see “**Timeliness Standards**” in this item). Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. PAM, Item 130, p. 2. Send a negative action notice when:

- . the client indicates refusal to provide a verification, **or**
- . the time period given has elapsed and the client has not made a reasonable effort to provide it. PAM, Item 130, p. 4.

MA Only

Send a negative action notice when:

- . the client indicates refusal to provide a verification, **or**
- . the time period given has elapsed. PAM, Item 130, p. 4.

CDC VERIFICATIONS

DEPARTMENT POLICY

The client is responsible for obtaining any requested verifications needed to determine eligibility. Use the DHS-3503, Verification Checklist, to inform the client of what verifications are needed at application and redetermination. You may also choose to use the form at case changes. A copy of all verifications must be filed in the case record.

See PAM 210, Redeterminations, for policy regarding verification at redetermination. PEM, Item 702. p. 1.

In this case, the claimant's case came due for a redetermination. The claimant was mailed a Verification Checklist on February 11, 2009, that required the claimant to complete the enclosed CDC Application (DHS-4583) and to return the form to the department by February 23, 2009. The claimant testified that she didn't think she had received a CDC Application (DHS-4583) in the mail with the Verification Checklist (DHS-3503).

However, even if the claimant did not receive the form at that time, she was provided the form at least two other occasions. The claimant was mailed an Eligibility Notice (DHS-4400) on March 26, 2009. This form indicates that "if you still wish to apply for daycare, you will need to complete the enclosed application and return it with proof of your income." (See Department Exhibit 2). Thus, it is clear that the claimant was provided with another copy of the application at this time.

Further, the caseworker again explained to the claimant by telephone that the claimant had not submitted the CDC application and that her case had closed due to this. The claimant was again left a blank CDC application at the front reception desk for her to pick up and complete.

Department policy indicates the client is responsible for obtaining any requested verifications needed to determine eligibility. Policy instructs the department to use the Verification Checklist (DHS-3503), to inform the client of what verifications are needed at application and redetermination. PEM 702, PAM 130. Department policy indicates that clients who are able but refuse to provide necessary information or take a required action are subject to penalties. PAM 105. These penalties include case closure.

In this case, this Administrative Law Judge finds that the claimant was provided a blank CDC Application on at least two or three occasions. The claimant did not return the completed form as requested. The claimant only turned in a CDC Provider Verification (DHS-4025) for one of her daycare providers. Thus, the department did not have the required information to continue the claimant's CDC case and properly closed the case.

The claimant also requested a hearing concerning her MA coverage. The claimant had received a notice from the department indicating her MA coverage was closing. However, this was an error that was caused from the Bridges computer system conversion. The claimant was actually eligible for TMA and her children were active on Healthy Kids. This was corrected by the department on April 21, 2009. (See Department Exhibit 9). The claimant was not eligible for LIF MA coverage as she had excess income for the program. Federal law gives the client a right to the most beneficial category of MA coverage, or the one that results in the least amount of excess income. PEM 105. In this case, the most beneficial category for the claimant was TMA and Healthy Kids for her children. Families may receive TMA for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker. PEM 111. Thus, the claimant qualified for TMA as she was no longer eligible for LIF due to excess income.

The claimant does not dispute her FAP benefits, so the FAP benefits were not a hearing issue. It is noted that the claimant did testify that she had stopped working for the summer, but she was just reporting that to the department, so that would affect future benefits, once proper documentation was received by the department.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides:

1. The department did properly determine that the claimant and her family were no longer eligible for LIF (Low Income Families) Medical Assistance (MA), but were instead qualified for Transitional Medical Assistance (TMA) and Healthy Kids in April, 2009.

2. The department did properly close the claimant's Child Development and Care (CDC) case for failure to return verifications in April, 2009.

Accordingly, the department's decision is UPHELD. SO ORDERED.

/s/
Suzanne L. Keegstra
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: July 2, 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 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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.

SLK 

cc:

