

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: 2009-5968  
Issue No: 3019, 2018, 6019  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
February 25, 2009  
Kent County DHS

ADMINISTRATIVE LAW JUDGE: Tyra L. Wright

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 hearing was held on February 25, 2009. Claimant personally appeared and testified. A family independence specialist represented the Department of Human Services (Department).

ISSUES

- (1) Did the Department properly deny Claimant's application for Food Assistance Program (FAP), Child Development and Care (CDC), and Medical Assistance (MA) program benefits?
- (2) Did the Department properly close Claimant's Adult Medical Program (AMP) case?

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 applied for AMP, CDC, FAP benefits and MA benefit for her children on October 20, 2008. (Exhibit 1).

(2) Claimant's application stated that she received income from a job at [REDACTED] and child support income.

(3) Claimant was granted AMP benefits and was still awaiting a response regarding her application for the other benefit programs, when the Department worker learned that Claimant received monetary disbursements from [REDACTED] [REDACTED] [REDACTED] (Exhibit 2).

(4) On November 21, 2008, Claimant received a disbursement of [REDACTED] (Exhibit 2).

(5) The Department worker called Claimant to seek verification regarding the disbursements from the [REDACTED]. Claimant confirmed during the call that she received the disbursements.

(6) During this hearing, Claimant confirmed that she has been receiving the disbursements since [REDACTED]. Claimant also asserted that she receives disbursements twice each year.

(7) Claimant received a request for income verification. Claimant did not timely return the verification.

(8) After Claimant failed to timely return the income verification regarding the disbursements from the [REDACTED], the Department closed Claimant's AMP case and denied her application for CDC, FAP, and MA.

(9) Claimant disagreed on the grounds that she did not have enough time to turn in the verification.

(10) The Department received a hearing request on November 24, 2008. (Exhibit 1).

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 (formerly known as the Family Independence Agency) administers the FAP program pursuant to MCL 400.10, et seq., and MAC R 400.3001-3015. Department 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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies for FAP and MA 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 Title 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 (formerly known as the Family Independence Agency) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. 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 (formerly known as the Family Independence Agency) 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).

## **DEPARTMENT POLICY**

### **All Programs**

**Verification** means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Obtain verification when:

- Required by policy. PEM items specify which factors and under what circumstances verification is required.
- Required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for MA, TMA-Plus or AMP without prior approval from central office.
- Information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The questionable information might be from the client or a third party.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level.

If a client indicates he/she has a disability that impairs his/her ability to gather verifications and information necessary to establish eligibility for benefits, offer to assist the individual in the gathering of such information.

Verification is **not** required:

- When the client is clearly ineligible, or
- For excluded income and assets **unless** needed to establish the exclusion.

### **Types of Verification**

#### **All Programs**

Use documents, collateral contacts, or home calls to verify information.

A **document** is a written form of verification. It may include a photocopy, facsimile, or e-mail copy if the source is identifiable.

Permanent documents must be obtained only once. Examples: birth certificate, passports, divorce papers, death notice.

Nonpermanent documents must be current. Examples: driver's license, Pay stub, rent receipt, utility bill, DHS-49. (PEM 130, p. 1)

### **All Programs**

This item discusses income for:

- Family Independence Program (FIP)
- State Disability Assistance (SDA)
- Child Development and Care (CDC)

**Note:** Applies to all CDC Income Eligible groups.

- Medicaid (MA) which, if policy differs, is divided into:
  - FIP-related MA.
  - SSI-related MA.
  - Specific MA categories.
- Adult Medical Program (AMP).
- TMA-Plus (TMAP).
- Food Assistance Program (FAP).

The phrase “All Programs” in this item means all the programs listed above.

The group composition and program budgeting items specify whose income to count. The program budgeting items might also contain program-specific income deductions or disregards.

Income means benefits or payments measured in money. It includes money a person owns even if NOT paid directly such as stock dividends automatically reinvested and income paid to a representative.

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 income. The item specifies whether the income is earned or unearned.

The amount of income counted may be more than the amount a person actually receives because it is the amount before any

deductions including deductions for taxes and garnishments. The amount before any deductions is called the **gross** amount.

**Exception:** The amount of self-employment income before any deductions is called **total proceeds**. The **gross** amount of self-employment income means the amount after deducting allowable expenses from total proceeds, but before any other deductions.

Income remaining after applying the policy in this item is called **countable**.(PEM 500, p. 1)

## **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 necessary forms. (PAM 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 105, p. 5)

Under PAM 130, the Department is required to verify certain information. PEM 500 states that income must be verified for all benefit programs. In this case, Claimant did not include on her application for benefits that she received semi-annual monetary disbursements from the [REDACTED]. Claimant contends that she did not have time to submit the verification. Claimant, however, did not ask for assistance or for an extension of time to submit the verification. Under PAM 105, Claimant had a responsibility to cooperate with the Department and did not. Because Claimant has confirmed that she received disbursements, the Department worker knew that the income information listed on Claimant's application was incomplete. Under these circumstances, the Department acted properly when it closed Claimant's AMP case and denied her application for CDC, FAP, and MA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department acted properly in denying Claimant's application for FAP, MA, and CDC benefits and in closing her AMP case.

Accordingly, the Department's allotment decision is AFFIRMED.

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

Date Signed: March 2, 2009

Date Mailed: March 3, 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.

TW/dj

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