

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 201020002
Issue No: 3008; 2006
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
June 23, 2010
Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

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 June 23, 2010.

ISSUE

Was the claimant's FAP properly placed into closure for a failure to return verifications?

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 FAP, FIP, and MA applicant in Oakland County.
- (2) Claimant was given a DHS-3503, Verification Checklist, on December 4, 2009.
- (3) The verification checklist requested records of all income received.
- (4) Claimant was unaware that he needed to provide records for income received from family members and friends.

- (5) The DHS-3503 stated that money from others is considered income and statements from these people would be needed; however, the DHS-3503 did not specifically state what types of verifications would be acceptable.
- (6) Claimant returned other income verifications in a timely manner.
- (7) A FEE investigation was launched by the OIG on December 14, 2009, which confirmed that claimant was receiving financial assistance from friends and relatives.
- (8) On January 14, 2010, claimant's application was denied because claimant did not provide verifications regarding income received from family members and friends.
- (9) Claimant's FIP application was denied because claimant's RSDI income exceeded the income limits for the FIP program.
- (10) Claimant attempted to contact the Department before the negative case action in an attempt to get clarification on the DHS-3503 and find out what more he needed to submit to have his application processed.
- (11) Claimant was unable to contact anybody at the Department to provide clarification; claimant's phone calls were not returned.
- (12) On January 21, 2010, claimant requested a hearing.

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. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM) and Reference Tables (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (DHS or Department) administers the FIP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

An application or redetermination is considered incomplete until it contains enough information to determine eligibility. BAM 115. Eligibility is determined through a claimant's verbal and written statements; however, verification is required to establish the accuracy of a claimant's verbal and written statements. Verification must be obtained when required by policy, or when information regarding an eligibility factor is incomplete, inconsistent, or contradictory. An application that remains incomplete may

be denied. BAM 130. If the claimant cannot provide verification despite a reasonable effort, the time limit is to be extended at least one time. BAM 130.

With regard to the claimant's FAP and MA applications, the undersigned notes that the Department did send verification requests to the claimant as part of his application processing, and that the claimant did return insufficient verifications. However, the undersigned is unconvinced that the Department allowed the claimant sufficient opportunity to correct his good faith error.

Claimant testified credibly at the hearing that he was unaware of what other verifications he needed to provide. An examination of the DHS-3503 shows that while verifications of further income were requested, no information was given as to what exactly was needed.

When claimant's case was not processed after he provided earned income verifications, he attempted to contact the Department to find out exactly what was needed to complete the application. Unfortunately, claimant was unable to reach his caseworker, and never received a reply to any messages he left. This is error.

BAM 130 states that if the claimant cannot provide verification despite a reasonable effort, extend the time limit at least one time. Claimant attempted throughout the month of December to gather information on his verifications in order to find out what was needed, which is quite clearly a reasonable effort at providing verification. However, the Department, instead of extending the time limit and informing the claimant of his duties, denied the application. This is prohibited by BAM 130.

When a claimant has made a reasonable attempt at providing verifications, the Department may not simply state that the verifications were incorrect and deny the case. BAM 130 states that an extension is to be granted—presumably this would

include notifying the claimant of exactly what was wrong with their reasonable effort and giving them a chance to correct the mistake.

Claimant was never given a chance to remedy his mistake, and as such, the FAP and MA case denial was incorrect.

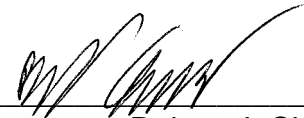
With regard to claimant's FIP case, claimant's member group received \$1072 a month in RSDI income. This placed claimant over the income limit for FIP assistance. Therefore, the application for FIP was properly denied.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to deny claimant's FAP and MA application was incorrect. The decision to deny claimant's FIP application was correct.

Accordingly, the Department's decision in the above stated matter is, hereby, **AFFIRMED IN PART** and **REVERSED IN PART**.

The Department is **ORDERED** to reprocess claimant's FAP and MA application retroactively to date of application, and re-request income verifications in order to determine eligibility, in accordance with policy found in the Bridges Eligibility Manual.



Robert J. Chavez
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 10/13/10

Date Mailed: 10/15/10

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.

RJC/dj

cc:

