

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: 2010-27135
Issue No: 1005, 2006
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
May 6, 2010
Calhoun County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

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 May 6, 2010. Claimant appeared and testified.

ISSUES

Did the Department of Human Services properly close Claimant's Medical Assistance (MA) case for failure to provide required verifications?

Did the Department of Human Services properly close Claimant's Food Assistance Program (FAP) case for failure to provide required 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 an ongoing recipient of Family Independence Program (FIP), Medical Assistance (MA), and Food Assistance Program (FAP) benefits.

- (2) On June 8, 2009, Claimant was sent a notice that their bank account at [REDACTED] was overdrawn and closed.
- (3) On September 22, 2009, Claimant listed the bank account on an assistance application.
- (4) On October 5, 2009, the Department received a Verification of Assets form from Independent Bank. The form did not specifically state that the account was closed. It did list the lowest balance for June as [REDACTED]
- (5) On February 1, 2010, Claimant submitted a required Redetermination Form (DHS-1010). The form did not list any bank accounts.
- (6) On February 3, 2010, Claimant was sent a Verification Checklist (DHS Form 3503) which specifically asked for verification of checking account.
- (7) On February 20, 2010, the Department had not received any further information regarding bank accounts from Claimant. Claimant was sent a Notice of Case Action (DHS-1605) stating his Medical Assistance (MA) and Food Assistance Program (FAP) cases were closed due to failure to provide required verifications. The Notice of Case Action (DHS-1605) listed M. Lockwood as the Department case worker.
- (8) On March 12, 2010, Claimant submitted a request for hearing.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

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 Program Reference Manual (PRM).

In this case the Department's position is that Claimant had to verify that the bank account was closed and since no verification was received in February 2010, closure of the cases was correct. The evidence in the record clearly shows that verification about the bank account was provided to the Department in October 2009, after the account was closed in June of 2009. Claimant was aware that verification of the account was provided to the Department in October 2009 but the verification was sent directly from the bank to the Department and Claimant was not provided a copy of the document.

The Redetermination Form (DHS-1010) states "complete the form to verify accuracy of our records and report changes for active programs. Cross out incorrect information and write the correct information in the space provided." The form did not list any bank accounts.

The Verification Checklist (DHS Form 3503) stated that if the requested proofs were not supplied benefits may be denied, decreased, or cancelled. Claimant and his spouse submitted somewhat contradictory testimony regarding the Verification Checklist (DHS Form 3503). At one point in the hearing they stated they thought the bank account was settled because verification had been sent in October. Later in the hearing they testified they never received the Verification Checklist (DHS Form 3503). The Verification Checklist (DHS Form 3503) was

sent to their address of record and they received all the other correspondence sent to that address. The Department case worker testified no mail was returned by the post office.

The Notice of Case Action (DHS-1605) listed a different case worker than handled the closure and who was present at the hearing. Claimant's spouse testified that they tried to call M. Lockwood several times and when they finally spoke to her were told it was too late to do anything and they should request a hearing.

Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

VERIFICATION AND COLLATERAL CONTACTS

DEPARTMENT POLICY

All Type of Assistance (TOA)

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements.

Obtain verification when:

- Required by policy. BE M 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.
- 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.

Obtaining Verification

All TOA

Tell the client what verification is required, how to obtain it, and the due date (see **Timeliness of Verifications** in this item). Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification.

The client must obtain required verification, but you must assist if they need and request help.

If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If **no** evidence is available, use your best judgment.

Timeliness of Verifications

CDC, FIP, FAP

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. If the client cannot provide the verification despite a reasonable effort, extend the time limit at least once.

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day.

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.

Only **adequate** notice is required for an application denial. **Timely** notice is required to reduce or terminate benefits.

Exception: At redetermination, **FAP** clients have until the last day of the redetermination month **or** 10 days, whichever is later, to provide verification. See BAM 210.

MA and AMP

Allow the client 10 calendar days (or other time limit specified in policy) to provide the verification you request. Refer to above

policy for citizenship verifications . If the client cannot provide the verification despite a reasonable effort, extend the time limit up to three times.

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email), the date of the transmission is the receipt date.

Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day.

Send a case action notice when:

- The client indicates refusal to provide a verification, **or**
- The time period given has elapsed.

Only **adequate** notice is required for an application denial. **Timely** notice is required to reduce or terminate benefits. (BAM 130)

Department policy provides that the client has the burden of providing verifications.

Policy also allows for negative action when verification is not provided. In this case the fact has been established that verification regarding the bank account had already been provided by the bank to the Department. The bank did not do a very good job of specifying that the account was closed but any deficiency in verification of the closure was the banks, not Claimant's.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services DID NOT properly close Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) cases for failure to provide required verifications.

It is ORDERED that the actions of the Department of Human Services, in this matter, are REVERSED.

It is further ORDERED that Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) cases be reinstated and any benefits he was otherwise eligible for but missed, shall be supplemented.

/s/

Gary F. Heisler
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: May 11, 2010

Date Mailed: May 12, 2010

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.

GFH/alc

cc:

A large black rectangular redaction box covers the names of the recipients listed under the 'cc:' field.