

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: 2010-44433
Issue No: 1018, 2026, 3015,
6019
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
August 17, 2010
Grand Traverse 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 hearing was held on August 17, 2010. Claimant appeared and testified.

ISSUES

Did the Department of Human Services properly close Claimant's Family Independence Program (FIP) case beginning July 1, 2010, due to excess income?

Did the Department of Human Services determine the proper Medical Assistance (MA) coverage for Claimant beginning July 1, 2010?

Did the Department of Human Services determine the proper amount of Claimant's Food Assistance Program (FAP) benefits?

Did the Department of Human Services properly deny Claimant Child Development and Care (CDC) benefits for school attendance beginning June 12, 2010?

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 April 20, 2010, Claimant was sent a Notice of Case Action (DHS-1605). The notice stated that Claimant's Family Independence Program (FIP) benefits were approved at \$ [REDACTED] from 5/1/10-ongoing. The notice also stated that Child Development and Care (CDC) for Claimant's child was closed because there was no need reason.

(2) On May 15, 2010, Claimant began receiving Unemployment Compensation Benefits (UCB).

(3) On May 27, 2010, Claimant submitted a Change Report that stated she began receiving Unemployment Compensation Benefits (UCB).

(4) On May 28, 2010, Claimant was sent a Notice of Case Action (DHS-1605). The notice stated that: Claimant's Family Independence Program (FIP) case was closed beginning 7/1/10, due to excess income; Claimant was placed on a \$ [REDACTED] deductible Medical Assistance (MA) case beginning 7/1/10; and Claimant's Food Assistance Program (FAP) benefits were being reduced to \$ [REDACTED] beginning 7/1/10, due to a change in income.

(5) On June 4, 2010, Claimant was sent a Notice of Case Action (DHS-1605). The notice stated that Claimant's Food Assistance Program (FAP) benefits were decreased to \$78 beginning 7/1/10, due to an increase in income.

(6) On June 7, 2010, Claimant submitted an application for Child Development and Care (CDC) benefits. The application need reason was to attend school as an approved activity through MI Works.

(7) On June 11, 2010, Claimant was sent a State Emergency Relief Decision Notice

which stated her request for assistance with rent was denied.

(8) On June 22, 2010, Claimant was sent a Quick Note DHS-100 form. The note stated that Claimant's child was not eligible for Child Development and Care (CDC) benefits because Claimant was not working or participating in the JET program.

(9) On June 29, 2010, Claimant submitted a request for hearing about "Jet Program/ Day Care/ Cash/ Food/ Medical" on the request for hearing page of the June 11, 2010, State Emergency Relief Decision Notice.

(10) On July 6, 2010, Claimant was sent a Notice of Case Action (DHS-1605) stating her Food Assistance Program (FAP) benefits would increase to \$ [REDACTED] beginning 8/1/10.

(11) On August 17, 2010, additional evidence was submitted by the Department. A BRIDGES print out sent in showed that Claimant was eligible for full Medicaid coverage under Transitional Medical Assistance (TMA).

CONCLUSIONS OF LAW

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 Program Reference Manual (PRM).

In this case the latest action taken on Claimant's Family Independence Program (FIP) case was the closure due to excess income. Claimant does not dispute receiving gross Unemployment Compensation Benefits (UCB) in the amount of \$ [REDACTED] every two weeks at the

time of the Departmental action. Department policy on the Family Independence Program (FIP) states that a group must be in financial need to receive FIP benefits and that need is determined to exist when budgetable income is less than the payment standard established by the department. In this case the payment standard for Claimant's group is \$ [REDACTED]. Claimant's monthly income from UCB exceeds \$ [REDACTED] so Claimant is not eligible for FIP payments.

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).

At the time Claimant requested a hearing the Department had determined she was eligible for a \$ [REDACTED] deductible case beginning July 1, 2010. Evidence submitted by the Department indicates that Claimant has since been determined eligible for full Medicaid coverage under Transitional Medical Assistance (TMA) beginning July 1, 2010. Claimant's concerns about Medical Assistance (MA) have been resolved.

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).

At the time Claimant requested a hearing the Department had determined she was only eligible for \$ [REDACTED] of FAP benefits beginning July 1, 2010. Since then the Department looked into the financial eligibility budget that resulted in the \$ [REDACTED] amount, found it to be incorrect, and changed it back to the \$ [REDACTED] amount. Evidence presented by the Department shows that beginning July 1, 2010 Claimant was eligible for \$ [REDACTED] of Food Assistance Program (FAP) benefits.

Claimant does not dispute receiving gross Unemployment Compensation Benefits (UCB) in the amount of \$ [REDACTED] every two weeks. That amount is two weeks of her \$ [REDACTED] gross weekly benefit plus a \$ [REDACTED] per week supplement provided by the Economic Recovery and Reinvestment Act. The Food Assistance Program (FAP) financial eligibility budget submitted by the Department shows a total unearned income of \$ [REDACTED]. That figure corresponds to \$ [REDACTED] X 4.3 and does not include the \$ [REDACTED] weekly supplement. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

INCOME, UNEARNED

UNEMPLOYMENT BENEFITS

All TOA Except FTW

Unemployment benefits include all of the following:

- Unemployment benefits (UB) available through the Michigan Unemployment Insurance Agency (UIA) and comparable agencies in other states.
- Supplemental unemployment benefits (SUB pay) from an employer or other source.
- Trade Readjustment Act (TRA) payments.

Count the gross amount as unearned income.

Exception: Sometimes benefits are reduced because the individual has earnings. In such cases, the reduced amount is the gross amount. See BEM 500, Returned Benefits about excluding amounts listed under recoupment on the Unemployment Insurance Agency payment stub.

FTW Only

Bridges excludes UB as income. (BEM 503)

Department policy requires that supplemental benefits from any source be included. The amount of Unemployment Compensation Benefits (UCB) used in the financial eligibility budget should be \$ [redacted] x [redacted] = \$ [redacted]

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

At the hearing Claimant specifically raised an issue that the Department denied her CDC application for school during summer. Evidence was submitted showing that Claimant submitted an application for CDC on June 7, 2010. Claimant entered her school information in Section 10 of the application as MWA approved activity. While no Notice of Case Action (DHS-1605) was issued, a Quick Note dated June 22, 2010, stated that Claimant's child was not eligible for Child Development and Care (CDC) benefits because Claimant was not working or participating in the JET program. Department policy provides the following guidance for case

workers. The Department's policies are available on the internet through the Department's website.

CDC PROGRAM REQUIREMENTS

PROGRAM OVERVIEW

The goal of the Child Development and Care (CDC) program is to preserve the family unit and to promote its economic independence and self-sufficiency by promoting safe, affordable, accessible, quality child care for qualified Michigan families.

The Department of Human Services (DHS) may provide a subsidy for child care services for qualifying families when the parent(s)/substitute parent(s) is **unavailable** to provide the child care because of employment, participation in an approved activity and/or because of a health/social condition for which treatment is being received **and** care is provided by an eligible provider.

INTRODUCTION

Eligibility for CDC services exists when the department has established **all** of the following:

- There is a **signed application** requesting CDC services.
- Each parent/substitute parent (see Parent/Substitute Parent section in this item) is a member of a valid **ELIGIBILITY GROUP**.
- Each parent/substitute parent (P/S P) meets the **NEED** criteria as outlined in this item.
- An eligible provider is providing the care.
- All eligibility requirements are met.

NEED

There are four CDC need reasons. Each parent/substitute parent of the child needing care must have a valid need reason during the time child care is requested. Each need reason must be verified and exists only when each parent/substitute parent is unavailable to provide the care because of:

1. Family preservation.
2. High school completion.
3. An approved activity.
4. Employment.

NEED REASONS

Determination of eligibility must be made in the following descending order.

1. Family Preservation
2. High School Completion
- 3. Approved Activity**

Child care payments may be approved under this need reason when a client needs child care to participate in an employment preparation and/or training activity or a post-secondary education program. The activity or education program must be approved by one of the following:

- DHS.
- MWA.
- Refugee services contractor.
- Tribal employment preparation program.
- Michigan Rehabilitation Services (MRS).

Training and educational programs must be occupationally relevant and the participant must make sufficient progress. (BEM 703)

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 [BAM 210](#), Redeterminations, for policy regarding verification at redetermination.

Verification Timeframes

The client is allowed a full 10 calendar days from the date verification is requested (the date of request is not counted) to provide the requested information. At least one extension must be given if the client cannot provide the verification despite a reasonable effort. For active cases, Bridges will allow timely notice if verifications are not returned.

Verifications At Application

The following is required prior to opening CDC on Bridges:

- Verify the **identity** of the applicant and authorized representative, if any; see [BEM 221](#), Identity.
- Obtain the **Social Security number (SSN)** of the CDC grantee.
- Verify the **alien status** for each child needing care who **is not a U.S. citizen**; see [BEM 225](#), Citizenship/Alien Status.
- Verify the need for CDC see [BEM 703](#), including:
 - Documentation of need for children over age 12 who need care (court order or a physician's statement).
 - Documentation of the need reason for EACH parent/substitute parent.
- Verify all countable income, if CDC Income Eligible group; see [BEM 500](#).
- Verify presence of children, only if questionable.
- Verify the client is using an enrolled and eligible provider.
- Verify the children in care, the date care began, where care is provided and relative status with the DHS-4025, Child Care Provider Verification. This form must be signed by

both the parent and all provider types (centers, homes, aides and relatives). (BEM 702)

The record contains no evidence identifying the specific reasons for closure of Claimant's Child Development and Care (CDC) on April 20, 2010. On the June 7, 2010, CDC application Claimant described her school as an MWA approved activity. The policy cited above indicates that CDC payments may be made for an MWA approved activity. There is no evidence in the record to show that the Department solicited any verification about Claimant's school or determined that it was not an MWA approved activity. The evidence in this record does not show that the Department's denial of Claimant's June 7, 2010, CDC application was in accordance with law and policy.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly closed Claimant's Family Independence Program (FIP) case beginning July 1, 2010, due to excess income.

It is ORDERED that the actions of the Department of Human Services regarding Claimant's Family Independence Program (FIP) case are UPHeld.

It is further decided that the Department of Human Services determine that Claimant was eligible for full Medicaid coverage beginning July 1, 2010, so there is no need to address Medical Assistance (MA).

It is further decided that the Department of Human Services DID NOT determine the proper amount of Claimant's Food Assistance Program (FAP) benefits because incorrect income amount were used in the determination.

It is ORDERED that the actions of the Department of Human Services regarding Claimant's Food Assistance Program (FAP) benefits are REVERSED. It is further ORDERED that the Department re-calculate Claimant's Food Assistance Program (FAP) benefits.

It is further decided that the Department of Human Services DID NOT properly deny Claimant Child Development and Care (CDC) benefits for school attendance beginning June 12, 2010.

It is ORDERED that the actions of the Department of Human Services regarding Claimant's June 7, 2010, Child Development and Care (CDC) application are REVERSED. It is further ORDERED that Claimant's June 7, 2010, Child Development and Care (CDC) application be reinstated and processed in accordance with Department policy.

/s/

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

Date Signed: August 27, 2010

Date Mailed: August 30, 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.

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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:

