

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: 2010-5347
Issue No: 2006; 3008
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
January 7, 2010
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 January 7, 2010. The claimant personally appeared and provided testimony, along with his sister-in-law, [REDACTED].

ISSUE

Did the department properly deny the claimant's Medical Assistance (MA) and Food Assistance Program (FAP) benefits for failure to return the required verification materials in September, 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 applied for FAP and MA on May 4, 2009. (Department Exhibit 1-15).

2. The claimant was mailed a Verification Checklist (DHS-3503) on May 29, 2009, requiring the claimant to submit 30 days of paycheck stubs or a completed Verification of Employment (DHS-38) form. This was due back to the department by June 8, 2009.

(Department Exhibit 16 - 17).

3. On June 9, 2009, the department received a Change Report (DHS-2240) that indicated the claimant's employment had stopped after receiving one paycheck for \$805 gross because his employer told him that he had work, but that he couldn't afford to pay him because the price of milk was too low. Enclosed with this Change Report was a copy of a paycheck stub showing \$805 gross received on June 4, 2009. (Department Exhibit 18 – 19).

4. On September 16, 2009, the department denied the claimant's application. (Department Exhibit 20).

5. The claimant submitted a hearing request on October 16, 2009.

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 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 (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).

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.

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.

Assisting the Client

All Programs

The local office must assist clients who ask for help in completing forms (including the DCH-0733-D) or gathering verifications. Particular sensitivity must be shown to clients who are illiterate, disabled or **not** fluent in English. PAM, Item 105, p. 9. 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.

The client must obtain required verification, but you must assist if they need and request help. PAM, Item 130, p. 2.

Timeliness Standards

All Programs (except TMAP)

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. PAM, Item 130, p. 4.

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.

In this case, the claimant applied for FAP and MA benefits on May 4, 2009. The department mailed the claimant a Verification Checklist (DHS-3503) on May 29, 2009, requiring the claimant submit 30 days of paycheck stubs or earnings by June 8, 2009.

The claimant submitted a Change Report (DHS-2240) and a paycheck stub on June 9, 2009. The Change Report indicated that the claimant’s job was seasonal and that it was ending as of the week prior and that he had only received \$805 gross in the month prior to being let go.

The claimant also explained on the Change Report that he had been let go because the price of milk was too low and the dairy farm where he worked couldn't afford to keep him on. The paycheck stub he provided showed that he had earned \$805 gross year-to-date on the pay date of June 4, 2009 (his last pay period worked).

Department policy requires the claimant to cooperate in providing any and all information needed by the department to determine initial or ongoing eligibility. PAM 105. In this case, the department denied the claimant's application for failure to provide the requested verifications. The claimant indicates that he provided all the verification information to the department.

When the documentation is examined, it becomes clear that the claimant did submit all the information necessary for the department to determine eligibility. The Verification Checklist required 30 days of paycheck stubs. The claimant submitted a paycheck stub for the previous 30 days, showing \$805 in gross. The claimant also submitted a Change Report that explained the circumstances of his employment situation. He indicated that his employment had stopped the week of June 1, 2009, as his employer could not afford to keep him on payroll due to the low prices of milk. The claimant clearly indicates that his employment ended and that he had only made \$805 gross for that month, which is also shown in his paycheck stub.

Thus, this Administrative Law Judge finds that the claimant did comply with the department's Verification Checklist and provide the information necessary to the department. Therefore, the department improperly denied the claimant's application.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department improperly denied the claimant's FAP and MA application

because the claimant had submitted the necessary information for the department to determine eligibility.

Accordingly, the department's actions are REVERSED. The department shall:

1. Re-process the claimant's May 4, 2009 application.
2. Issue the claimant any retroactive benefits he is eligible for back to the date of application.

SO ORDERED.

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

Date Signed: February 25, 2010

ate Mailed: March 2, 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 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/ [REDACTED]

cc: [REDACTED]