

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARINGS SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No. 201134743
Issue No. 3003
Case No. [REDACTED]
Hearing Date: June 16, 2011
Oakland County DHS (03)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on June 16, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED] Specialist, appeared and testified.

ISSUES

1. Whether DHS properly failed to process Claimant's Food Assistance Program (FAP) benefits for 1/2011 and 2/2011 based on Claimant's failure to timely submit income verifications.
2. Whether DHS properly issued FAP benefits for 1/2011-4/2011 to Claimant without factoring insurance premium and condominium fees when DHS did not request verification of those expenses.

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On 1/25/11, Claimant applied for FAP benefits.
2. Among other expenses, Claimant's application reported a monthly obligation for insurance premiums and condominium fees.
3. On 1/27/11, DHS mailed a Verification Checklist (VCL) requesting verification of several items including unearned income, but not insurance premiums and condominium fees.

4. Claimant did not verify her unearned income until 2/24/11, a date following the VCL due date.
5. DHS initially denied Claimant's application but reinstated the application effective 3/2011 based on Claimant's tardy unearned income submission.
6. On an unspecified date, DHS determined Claimant's FAP benefits for 3/2011 and 4/2011 as \$16/month, in part, by not factoring Claimant's insurance premiums and condominium fees.
7. Claimant submitted verification of insurance premiums and condominium fees in 4/2011 to affect her FAP benefit issuance beginning 5/2011.
8. DHS did not issue FAP benefits to Claimant for 1/2011 or 2/2011 based on Claimant's tardy income verification submission.
9. On 3/21/11, Claimant requested a hearing to dispute the failure by DHS to issue FAP benefits to Claimant for 1/2011 and 2/2011 and for the failure by DHS to factor her insurance premiums and condominium fees in the determinations for 3/2011 and 4/2011.

CONCLUSIONS OF LAW

The Food Assistance Program (formerly known as the Food Stamp 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). DHS (formerly known as the Family Independence Agency) administers the FAP pursuant to Michigan Compiled Laws 400.10, *et seq.*, and Michigan Administrative Code R 400.3001-3015. DHS regulations are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT). Updates to DHS regulations are found in the Bridges Policy Bulletin (BPB).

The undersigned will refer to the DHS regulations in effect as of 2/2011, the month of the DHS decision which Claimant is disputing. Current DHS manuals may be found online at the following URL: <http://www.mfia.state.mi.us/olmweb/ex/html/>.

If the group is ineligible or refuses to cooperate in the application process, DHS is to certify the denial within the standard of promptness to avoid receiving an overdue task in Bridges (the DHS database). BAM 115 at 16. Bridges sends a DHS 1605, Client Notice, or the DHS-1150, Application Eligibility Notice, with the denial reason(s). *Id.*

For FAP benefits, DHS is to proceed as follows when a client completes the application process after denial but within 60 days after the application date.

- On or before the 30th day, DHS is to re-register the application, using the original application date and if the client is eligible, determine whether to prorate benefits according to initial benefits policy.
- Between the 31st and 60th days, DHS is to re-register the application, using the date the client completed the process and if the client is eligible, DHS is to prorate benefits from the date the client complied. *Id.*

In the present case, it was not disputed that Claimant did not verify her income information until 2/24/11. Claimant also initially did not dispute the issue concerning the DHS failure to issue FAP benefits for 1/2011 and 2/2011; Claimant reversed her position at the very end of the hearing seemingly because of a DHS failure to send a VCL for insurance premiums and condominium fees. Based on the presented evidence, there was enough to ascertain that DHS sent a VCL concerning Claimant's income and that Claimant verified the income on 2/24/11, a date subsequent to the VCL due date and the DHS denial of Claimant's application.

Based on Claimant's application date (1/25/11) and Claimant's income submission date (2/24/11), it is found that Claimant completed the application process on the 30th day following her application date. Accordingly DHS should have re-registered Claimant's application for the original application date (1/25/11) and determined Claimant's FAP benefit eligibility beginning 1/25/11.

A request for program benefits begins with the filing of a DHS-1171 or other acceptable form. BAM 110 at 1. Before processing an application, DHS may require a client to verify information within their application. Verification is usually required at application. BAM 130 at 1. DHS must give clients at least ten days to submit verifications. *Id.*

DHS must tell the client what verification is required, how to obtain it, and the due date. *Id.* at 2. DHS is to use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. *Id.* at 3.

In the present case, DHS requested several items from Claimant on a VCL dated 1/27/11; Claimant's insurance premiums and condominium fees were not among the requested items on the VCL.

When DHS processed Claimant's initial FAP benefit eligibility, DHS did not factor the condo or insurance expenses because they were not verified. Though DHS regulations support not budgeting unverified expenses, the regulations mandate that DHS first request the verifications. The failure by DHS to do so in the present case deprived Claimant the opportunity to have those expenses factored in her FAP budget

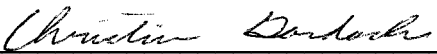
determinations for 1/2011-4/2011. Future months were not affected because Claimant verified the expenses in 4/2011 which led DHS to begin budgeting the expenses beginning 5/2011. It is found that DHS should have factored Claimant's insurance premiums and condo fees in determining Claimant's FAP benefit eligibility for 1/2011-4/2011.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly determined Claimant's FAP benefit eligibility from 1/25/11-4/30/11. It is ordered that DHS:

- re-register Claimant's application effective 1/25/11;
- redetermine Claimant's FAP benefit eligibility for 1/2011-4/2011 by including Claimant's insurance premium and condominium fee expenses; and
- supplement Claimant for any FAP benefits not received in the original FAP benefit issuance.

The actions taken by DHS are REVERSED.


Christian Gardocki
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: June 24, 2011

Date Mailed: June 24, 2011

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 of the rehearing decision.

CG/ctl

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cc:

[REDACTED]
Oakland County DHS (03)/1843

[REDACTED]
Christian Gardocki
Administrative Hearings