

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

IN THE MATTER OF:



Reg. No.: 201146526
Issue No.: 2027
Case No.:
Hearing Date: October 19, 2011
County: Wayne (41)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on October 19, 2011, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of Department of Human Services (Department) included Linda Caver, Family Independence Manager, and Shannon Ramsey, Family Independence Specialist.

ISSUE

Did the Department properly deny Claimant's application close Claimant's case for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)? | <input type="checkbox"/> Adult Medical Assistance (AMP)? |
| <input type="checkbox"/> Food Assistance Program (FAP)? | <input type="checkbox"/> State Disability Assistance (SDA)? |
| <input checked="" type="checkbox"/> Medical Assistance (MA)? | <input type="checkbox"/> Child Development and Care (CDC)? |

FINDINGS OF FACT

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

1. Claimant applied for benefits received benefits for:

- | | |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP). | <input type="checkbox"/> Adult Medical Assistance (AMP). |
| <input type="checkbox"/> Food Assistance Program (FAP). | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input checked="" type="checkbox"/> Medical Assistance (MA). | <input type="checkbox"/> Child Development and Care (CDC). |

2. On September 1, 2011, and possibly other periods, the Department
 denied Claimant's application closed Claimant's case
 due to the fact that she was no longer receiving federal SSI payments.
3. The Department did not send
 Claimant Claimant's Authorized Representative (AR)
 notice of the denial. closure.
4. On July 14, 2011, Claimant filed a hearing request, protesting the
 denial of the application. closure of the case.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and 1999 AC, Rule 400.3101 through Rule 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and 1999 AC, Rule 400.3001 through Rule 400.3015.

The Medical Assistance (MA) program is established by the 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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACS, Rule 400.3151 through Rule 400.3180.

The Child Development and Care (CDC) 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 provides services to adults and children pursuant to MCL 400.14(1) and 1999 AC, Rule 400.5001 through Rule 400.5015.

Additionally, on May 24, 2011, the Department notified Claimant that her quarterly State SSI Payment (SSP) would be cancelled because the federal Social Security Administration (SSA) had advised the Department that Claimant was no longer eligible for Social Security Insurance (SSI) benefits. Claimant testified that she stopped receiving MA coverage in September and October 2011 and was only concerned about her ongoing coverage from September 1, 2011. Although the Department testified that Claimant's MA case had been closed at various times during the current year, it agreed that Claimant's MA case had last been closed on September 1, 2011, and continued to be closed as of the hearing date. The Department testified that Claimant's MA case was automatically closed based on the fact that SSA had notified it that Claimant was no longer eligible for SSI.

When SSI benefits stop, the Department's central office must evaluate the reason that the SSA closed the case and then either (i) close the MA case if SSI was stopped for reasons that prevent continued MA eligibility, such as death or an out-of-state move, or (ii) transfer the case to SSI Termination (SSIT). BEM 150. If a case is transferred to SSIT, the Department must make a determination, following the procedures outlined in BEM 150, regarding the client's continued MA coverage on the basis of disability or on other grounds. If the client's SSI was terminated because she is longer considered disabled and the client has timely filed an appeal of the termination with the SSA, MA coverage for the client continues. BEM 150. If SSI eligibility based on disability was terminated due to financial factors, SSI-based MA coverage continues. BEM 260. The Department must set up a redetermination and continue MA coverage until the redetermination is completed. BAM 220.

In this case, the Department stopped Claimant's MA coverage based solely on the fact that SSA had stopped Claimant's SSI benefits. The Department did not refer Claimant's case to SSIT, and it did not otherwise investigate whether the SSA's decision to stop Claimant's SSI benefits was based on its finding that Claimant was no longer disabled. By closing Claimant's MA coverage on the basis that her SSI benefits were terminated without exploring the reasons that the benefits were terminated, the Department failed to comply with its policy. In fact, there was some evidence at the hearing that Claimant's SSI benefits may have been erroneously terminated. The Department produced a current State Online Query (SOLQ), the Department's online access to SSA information about a client's SSI benefits, showing that Claimant had received a lump sum SSI payment for October 2011, and was scheduled to receive monthly SSI benefits beginning in November 2011. This further supports the conclusion that Claimant's SSI benefits may have been terminated for reasons other than her disability and the

Department could not merely rely on the SSA's termination of SSI benefits as the basis for terminating Claimant's MA coverage.

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that the Department

properly denied Claimant's application improperly denied Claimant's application
 properly closed Claimant's case improperly closed Claimant's case

for: AMP FIP FAP MA SDA CDC.

DECISION AND ORDER

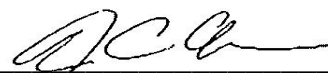
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

did act properly. did not act properly.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is AFFIRMED REVERSED for the reasons stated on the record.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reprocess Claimant's MA case from September 1, 2011, ongoing to determine her continued eligibility for MA coverage on the basis of disability in accordance with Department policy; and
2. Provide MA coverage to Claimant for any period during which she was entitled to coverage but was not covered; and
3. Notify Claimant of its decision in accordance with Department policy.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 10/28/11

Date Mailed: 10/28/11

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

ACE/dj

cc:

