

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

IN THE MATTER OF:

[REDACTED]

Reg. No. 201129084
Issue No. 2006 3008
Case No. [REDACTED]
Hearing Date: May 11, 2011
Wayne County DHS (49)

ADMINISTRATIVE LAW JUDGE: [REDACTED]

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 May 11, 2011. The claimant appeared and testified; [REDACTED] appeared and testified as Claimant's authorized hearing representative (AHR). On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

Whether DHS properly terminated Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) benefits due to a failure by Claimant's spouse to verify stopped employment.

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 was an ongoing FAP and MA benefit recipient.
2. Claimant was part of a household that included himself and his spouse.
3. On an unspecified date, DHS discovered through unspecified methods that Claimant's spouse had two different unreported jobs during a period when Claimant received FAP and MA benefits.

4. On 3/22/11, DHS mailed a Verification of Employment for each of Claimant's spouse's unreported jobs, one for employment with Manner of Northwest and the other for Better Homes.
5. Neither Verification of Employment was returned to DHS but Claimant's spouse called DHS to inform them that both jobs had stopped and one of the jobs was out of business which prevented her from returning the verification.
6. Based on the failure to return the forms, DHS terminated Claimant's FAP and MA benefits.
7. On 4/8/11, Claimant requested a hearing to dispute the termination of FAP and MA benefits.

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 4/2011, the estimated 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/>.

It was not disputed that Claimant's spouse had two different jobs that were not reported to DHS. It was also not disputed that Claimant's spouse had these jobs during a period when Claimant received FAP and MA benefits.

DHS stated that it was Claimant's failure to verify his spouse's employment income from several months ago which caused the termination of FAP and MA benefits. In other words, DHS terminated Claimant's FAP and MA ongoing benefits because Claimant failed to verify income previous income which had no effect on ongoing benefits. The undersigned only knows of one DHS regulation which might allow closure based on a failure to verify past income, "wage match" policy.

Wage match policy describes procedures to be followed when DHS discovers a discrepancy between budgeted income and the income reported from a data exchange with the Michigan Department of Energy, Labor & Economic Growth. For these

circumstances, DHS is to request verification of the wage match earnings by generating a DHS-4638, Wage Match Client Notice, from Bridges. The DHS-4638 automatically gives the client 30 days to provide verification.

In the present case, DHS only gave Claimant 10 days to verify the employment information. DHS also provided no evidence that a DHS-4638 was sent to Claimant.

The undersigned speculated that the DHS termination was based on a failure by Claimant to verify the current status of his spouse's employment with Manner of Northwest and Better Homes. It would be appropriate for DHS to request the completion of a Verification of Employment from benefit recipients to determine whether the recipient is still receiving the income. In such a case, past income is irrelevant but whether the income is ongoing is relevant and must be verified. A failure to verify the ongoing income amount or when the employment stopped could be a basis for benefit termination. However, the undersigned is inclined to accept DHS at their word when they stated that the basis for MA and FAP benefit termination was the failure to verify past income. As DHS failed to follow the appropriate procedures under "wage match" policy in requesting verification of past income, it can only be found that DHS erred in terminating Claimant's FAP and MA benefits based on a failure to verify past income.

It was not disputed that Claimant failed to report employment income to DHS and that Claimant failed to verify any of the income after DHS requested verification of the income. DHS is not barred from making an appropriate request concerning the income in the future or from seeking recoupment for any benefits overpaid to Claimant as a result of the failure to report the income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly terminated Claimant's FAP and MA benefits based on a failure to verify past employment income amounts. It is ordered that DHS:

- reinstate Claimant's ongoing MA and FAP benefits from the date of termination; and
- supplement Claimant for any benefits not received as a result of the improper termination.

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The actions taken by DHS are REVERSED.



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

Date Signed: May 23, 2011

Date Mailed: May 23, 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 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.

CG/ctl

cc:



Wayne County DHS (49)/1843



Administrative Hearings