

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201145155
Issue No.: 2018, 3008, 6019
Case No.: [REDACTED]
Hearing Date: September 8, 2011
Macomb County DHS (36)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 September 8, 2011. The claimant appeared and testified. [REDACTED] ah, ES, appeared on behalf of the Department of Human Services.

ISSUE

Whether the Department properly denied the Claimant's application for food assistance (FAP) and cash assistance (FIP) for refusal to verify income information.

Whether the Department properly determined the Group 2 MA deductible spend down amount that applied to the Claimant.

FINDINGS OF FACT

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

1. The Claimant applied for Food Assistance and Child Development and Care (CDC) benefits on April 26, 2011. Exhibit 1.
2. The Department sent a verification check list to the Claimant on May 2, 2011, with a due date of May 12, 2011. Exhibit 2.
3. The Department denied the Claimant's application due to failure to verify information by the due date on May 19, 2011. Exhibit 3.

4. The Claimant mailed employment verification, day care provider verification, shelter verification, which were sent to the Department and to her former case worker on May 2, 2011, prior to receiving the verification check list. The claimant did not know who her new case worker was at that time.
5. The Claimant also subsequently faxed the information to the [REDACTED] office.
6. The Department spoke to the Claimant on May 19, 2011 and advised the Claimant that her application was denied because the Department did not receive the requested information.
7. The Department did not receive the verification information which was mailed to it by the Claimant.
8. The Department determined by Notice of Case Action, issued July 19, 2011, that the Claimant was eligible for Group 2 Medical Assistance as a caretaker of a minor child, with a \$427 deductible, effective September 1, 2011. Exhibit 8.
9. At the hearing, the Department established that it could not produce a budget to support its determination of the \$427 deductible amount because its computer system had overridden the information.
10. The Department established the Claimant's earned income for July to be \$398.50, 7/1/11; \$404.20, 7/7/11; \$384.87, 7/15/11; \$536.59 7/22/11; \$378.35, 7/29/11. Exhibit 6.
11. The Department also established 3 months of Child support was received by the Claimant \$937.65 (May); \$745.12 (June); \$745.12 (July). Exhibit 5.
12. At the hearing, the Claimant indicated that she no longer disagreed with the food assistance determination made by the Department.
13. The Claimant requested several hearings on July 11, 2011 protesting the denial of her April 26, 2011 and April 17, 2011 protesting the amount of her MA deductible and change in her medical assistance and food assistance amount.

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 (formerly known as the Family

Independence Agency) administers the FAP program pursuant to CML 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 Bridges Reference Manual (BRM).

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 (formerly known as the Family Independence Agency) 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 Bridges Program Reference Manual (PRM).

APRIL 26, 2011 APPLICATION DENIAL

Clients must cooperate with the local office in determining initial and ongoing eligibility to provide verification. BAM 130, p. 1. The questionable information might be from the client or a third party. *Id.* The Department can use documents, collateral contacts or home calls to verify information. *Id.* The client should be allowed 10 calendar days to provide the verification. If the client cannot provide the verification despite a reasonable effort, the time limit to provide should be extended at least once. BAM 130, p.4; BEM 702. If the client refuses to provide the information or has not made a reasonable effort within the specified time period, then policy directs that a negative action be issued. BAM 130, p. 4. Before making an eligibility determination, however, the department must give the client a reasonable opportunity to resolve any discrepancy between his statements and information from another source. BAM 130, p.

In this case, the Claimant provided information to the Department prior to receiving the verification checklist, and was very detailed in the documents she provided and when she provided them. Unfortunately, the Department did not receive the verification information. The Department denied the Claimant's application for failure to verify the requested information by the due date. Based on the extensive testimony of the Claimant and the efforts, which she testified under oath, that she made, it is determined that the Claimant did not refuse to cooperate and demonstrated a reasonable effort was made to satisfy the Department's request for information.

Based upon the proofs presented at the hearing and the credible testimony of the Claimant, I find the Claimant did not refuse to cooperate and that her applications for CDC and FAP of April 26, 2011 should not have been denied. Thus it is concluded that the Department's denial was incorrect. The Claimant did not exhibit any intention to refuse to cooperate, and therefore her applications must be reregistered and the department must determine her eligibility.

DETERMINATION OF MEDICAID DEDUCTIBLE AMOUNT

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 (formerly known as the Family Independence Agency) 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).

In the instant case, the Claimant questioned the Department's calculation of her Medical Assistance (MA) deductible. At the hearing it was determined that the Department could not produce a budget demonstrating the basis for the spend down amount applicable to the Claimant, due to its computer system overriding the information. Based on the Department's computer issues, no determination could be made as to the correctness of the Department's determination of the spend down amount it effectuated effective September 1, 2011. Therefore its determination cannot be reviewed as to whether it is correct. Accordingly, the Department must recalculate the spend down amount applicable to the Claimant based upon the income and child support information it provided at the hearing and which have been made findings by this decision. Exhibits 5 and 6.

DECISION AND ORDER

APRIL 26, 2011 APPLICATION DENIAL

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Department incorrectly denied the Claimant's application for Food Assistance and Child Development and Care (CDC) for refusal to verify requested information by the due date as the Claimant did not refuse to cooperate. The Department's determination is therefore REVERSED.

Accordingly it is ORDERED:

1. The Department shall reregister the Claimant's April 26, 2011 application for FAP and CDC benefits.
2. The Department shall initiate steps to determine whether the Claimant is eligible to receive FAP and CDC benefits in accordance with Department policy.
3. If the Department makes a determination that the Claimant is otherwise eligible to receive CDC and FAP benefits, the Department shall issue a supplement retroactive to the application date for CDC and FAP benefits, if any, the Claimant was otherwise entitled to receive in accordance with Department policy.

DETERMINATION OF MEDICAID DEDUCTIBLE AMOUNT

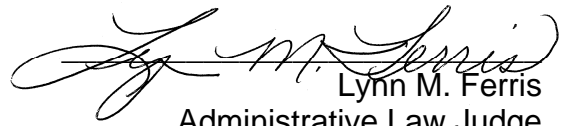
The Administrative Law Judge, based on the above findings of fact and conclusions of law finds that the Department did not meet its burden of proof to demonstrate the basis for the medical spend down amount of \$427 and therefore its determination of the spend down amount is REVERSED.

Accordingly it is ORDERED:

1. The Department shall initiate the recomputation of the Claimant's Medical deductible amount based upon the findings of income and child support received contained in this opinion as presented by the Department at the hearing in accordance with Department policy.

ORDER OF DISMISSAL – FOOD ASSISTANCE

The Administrative Law Judge based on the above findings of fact determines that the Claimant no longer wished to proceed with the hearing regarding her Food Assistance amount and accordingly the Claimant's request for hearing regarding that issue is DISMISSED.


Lynn M. Ferris
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: September 14, 2011

Date Mailed: September 14, 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 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.

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