

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-54354
Issue No.: 2018
Case No.: [REDACTED]
Hearing Date: December 5, 2011
County: Oakland (03)

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 December 5, 2011, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED] Claimant's Authorized Hearing Representative (AHR). Participants on behalf of Department of Human Services (Department) included [REDACTED]

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 May 27, 2011, the Department
 denied Claimant's application closed Claimant's case
due to failure to verify necessary information.
3. On May 27, 2011, the Department sent
 Claimant Claimant's Authorized Representative (AR)
notice of the denial. closure.
4. On August 23, 2011, Claimant's AHR 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, R 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, R 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 ACS, R 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, R 400.5001 through Rule 400.5015.

Additionally, Claimant applied for MA coverage on August 30, 2010, with retroactive coverage to May 20, 2010. On May 27, 2011, the Department denied the application. At the hearing, Claimant's AHR clarified that Claimant was appealing the Department's denial of her MA coverage under the Group 2 MA program.

At the hearing, the Department testified that it sent Claimant a Verification Checklist (VCL) on February 24, 2011. Based on the information Claimant provided in response to this VCL, on April 12, 2011, the Department sent another VCL, seeking, among other things, verification of the source of deposits to Claimant's bank account in excess of \$1000 per month from May 2010 to February 2011. The initial April 22, 2011, due date was extended to May 2, 2011, and then to May 23, 2011. The Department credibly testified that it informed both Claimant and Claimant's AHR that it needed a name and telephone number for the individuals who made deposits to Claimant's account.

Claimant testified that she had complied with the Department's request for this information and pointed to the letters from her husband and various other individuals she submitted to the Department by the May 23, 2011, due date. The Department acknowledged receiving the letters but testified that it needed Claimant's husband to identify and provide contact information for the individuals who had made the deposits indicated on the handwritten list he prepared. Claimant credibly testified that these listed deposits were actually made by her husband to their joint account. The funds were intended to cover Claimant's expenses for a trip to Africa and for other expenses she incurred.

The Department contended that Claimant's testimony was not consistent with the statement by Claimant's husband on the first page of his handwritten note where he wrote that he and Claimant "were saving for a trip, and money was put up by a couple of friends, to make up the large amount of money." While the letter is not the most artfully-worded document, it is not inconsistent with Claimant's testimony that the deposits listed on the second page were made by Claimant's husband to their joint account and other funds were received by Claimant from friends, as identified on the other notes Claimant submitted to the Department with the letter from her husband.

The Department admitted that it did not seek any clarification from Claimant concerning the list provided by Claimant's husband despite the fact that the information had been timely submitted by the extended due date. The Department also acknowledged that Claimant's husband's income was already considered in the calculation of Claimant's MA budget and deposits he made to their joint bank account would not be relevant to processing Claimant's MA application. Because the Department had the verifications

requested and Claimant did not have any further proof to provide with respect to the source of the deposits to her account, the Department improperly denied Claimant's MA application on the basis that she had failed to provide requested verifications concerning deposits to her bank account.

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. Reregister Claimant's August 30, 2010, MA application with retroactive coverage to May 20, 2010;
2. Begin reprocessing the application in accordance with Department policy;
3. Notify Claimant in writing of its decision in accordance with Department policy.



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

Date Signed: December 20, 2011

Date Mailed: December 20, 2011

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/cl

cc:

