

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-9716
Issue No.: 2021/3008
Case No.: [REDACTED]
Hearing Date: January 10, 2011
Wayne County DHS (76)

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 January 10, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Manager, appeared and testified.

ISSUES

1. Whether DHS properly denied Claimant's application for Medical Assistance (MA) benefits due to excess assets.
2. Whether DHS properly denied Claimant's application for Food Assistance Program (FAP) benefits due to a failure by Claimant to verify property tax information.

FINDINGS OF FACT

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

1. Claimant applied for MA and FAP benefits on 10/27/10.
2. Claimant's application reflected that he owned approximately \$47,000 in cash assets.
3. On 11/23/10, DHS denied Claimant's application for MA benefits based on excess assets.
4. On 11/23/10, DHS denied Claimant's application for FAP benefits on the basis of Claimant failing to verify his property tax obligation.

5. On 11/29/10, Claimant requested a hearing disputing the denial 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). The Department of Human Services (formerly known as the Family Independence Agency) administers the FAP program pursuant to MCL 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 Reference Tables Manual (RFT).

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 for FAP benefits, 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.* After the date passes for submission of verifications, DHS may send a negative action notice if the time period given has elapsed and the client has not made a reasonable effort to provide the information. BAM 130 at 5.

DHS must verify the responsibility to pay and the amount of certain expenses. BEM 554 at 1. DHS is required to verify all shelter expenses. DHS is directed to not budget expenses that require verification until the verification is provided. *Id.* at 10. DHS is directed to determine program eligibility by giving the client zero credit for an unverified expense if verification was required. *Id.* at 11.

In the present case, DHS denied Claimant's application for FAP benefits purportedly due to Claimant's failure to verify the amount of a property tax obligation. Though the expense must be verified before it is credited in Claimant's FAP budget, the proper action for a failure to verify an expense is to not budget the expense. DHS acknowledged their error by denying Claimant's application for the alleged failure to verify a property tax expense. To correct the error, DHS agreed that Claimant's application for FAP benefits should be reinstated and processed. DHS also agreed to make new requests for any lacking verifications. Claimant agreed to such a settlement. As the parties reached an agreement that DHS shall reinstate Claimant's application for FAP benefits and the agreement appears to be in compliance with DHS regulations, the undersigned is inclined to accept the agreement.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

Clients may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2.

The type of MA program for which Claimant would be eligible is unknown. Documents within the case file indicated that Claimant is a single individual male between 21-65 years of age. Assuming the above is true, Claimant's only basis for MA benefits would either be through Adult Medical program (AMP) or Aged/Disability Care (AD-Care) as a possibly disabled individual.

For AD-Care asset-eligibility, countable assets cannot exceed the asset limit in BEM 400. BEM 163 at 1. The asset limit for a one-person AD-Care group is \$2,000. BEM 400 at 5. Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. *Id* at 4.

For AMP eligibility, the program group's countable assets cannot exceed the AMP asset limit in BEM 400. The AMP asset limit is \$3,000. BEM 400 at 4.

Concerning Claimant's MA eligibility, Claimant acknowledged that he had approximately \$47,000 in cash assets and agreed to a settlement accepting that DHS properly denied his MA benefits. As the settlement appears to be in compliance with DHS regulations, the undersigned accepts the settlement between DHS and Claimant concerning Claimant's application for MA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact, conclusions of law and by agreement of the parties finds that DHS properly terminated Claimant's application for MA benefits. The actions taken by DHS are PARTIALLY AFFIRMED.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application for FAP benefits. It is ordered that DHS reinstate Claimant's application dated 10/27/10 for FAP benefits. It is

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further ordered the application be processed in accordance with DHS regulations including re-requesting any lacking verification which may be needed to process Claimant's application. The actions taken by DHS are PARTIALLY REVERSED.

Christian Gardocki

Christian Gardocki
Administrative Law Judge
For Duane Berger, Director
Department of Human Services

Date Signed: 1/13/2011

Date Mailed: 1/13/2011

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 date of the rehearing decision.

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