

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

**IN THE MATTER OF:**



Reg. No.: 2012-48594  
Issue No.: 2006; 3008  
Case No.: [REDACTED]  
Hearing Date: May 29, 2012  
County: Oakland (02)

**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 May 29, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] Assistance Payment Worker.

**ISSUE**

Due to a failure to comply with the verification requirements, did the Department properly  deny Claimant's application  close Claimant's case  reduce Claimant's benefits for:

- |  |   |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)?        | <input type="checkbox"/> Adult Medical Program (AMP)?       |
| <input checked="" 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 upon the competent, material, and substantial evidence on the whole record, including testimony of witnesses, finds as material fact:

1. Claimant  applied for  was receiving:  FIP  FAP  MA  AMP  SDA  CDC.
2. Claimant  was  was not provided with a Verification Checklist (DHS-3503).
3. Claimant was required to submit requested verification by October 24, 2011.

4. On May 1, 2012, the Department
  - denied Claimant's application
  - closed Claimant's FAP and MA cases
  - reduced Claimant's benefitsfor failure to submit verification in a timely manner.
  
5. On April 6, 2012, the Department sent notice of the
  - denial of Claimant's application.
  - closure of Claimant's cases.
  - reduction of Claimant's benefits.
  
6. On April 17, 2012, Claimant filed a hearing request, protesting the
  - denial.  closure.  reduction.

### **CONCLUSIONS OF LAW**

Department policies are found 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 (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 (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, in connection with Claimant's FAP and MA redetermination, the Department sent Claimant a Verification Checklist on October 14, 2011, requesting a current bank statement and proof of her monthly rent by October 24, 2011. Claimant responded by providing her current bank statement and a letter from her landlord. However, it appears that Claimant's case was passed to several different caseworkers and no one took any further actions with respect to the submitted verifications until April 6, 2012. At that time, Claimant's caseworker reviewed Claimant's file, concluded that the verifications were inadequate, and sent Claimant a Notice of Case Action notifying her that her MA and FAP cases would close effective May 1, 2012, because she had failed to verify, or allow the Department to verify, requested information.

At the hearing, the Department acknowledged that it timely received the submitted verifications. It further testified that the bank statement Claimant submitted was timely and responsive to the VCL. However, it concluded that the letter Claimant submitted from her landlord concerning her rental obligations was inadequate because it did not identify Claimant as the tenant.

With respect to FAP cases, a client must verify shelter expenses at application or when a change is reported. BEM 554. If the client fails to verify shelter expenses when required to do so, the old expense is removed until a new expense is verified. BEM 554. Although the Department concluded that the rent verification was inadequate, rather than recalculate Claimant's FAP benefits with \$0 for shelter expenses, the Department closed her FAP case. The Department did not act in accordance with Department policy in doing so.

Shelter expenses are not considered in establishing a client's MA budget. BEM 536; BEM 544; BEM 545. While a local office of the Department may request a verification not required by policy, which must be applied consistently to all clients, local requirements may **not** be imposed for MA. BAM 130. Because a shelter verification was not necessary to process Claimant's MA redetermination, the Department did not act in accordance with Department policy when it closed Claimant's MA case effective May 1, 2012, for failure to provide adequate shelter verification.

Although the Department testified at the hearing that it also sought verification of Social Security Insurance (SSI) benefits for Claimant's [REDACTED] who lived with Claimant, the VCL did not request such information. Therefore, the Department did not act in accordance with Department policy in relying on Claimant's failure to timely provide this information in closing her cases. BAM 130.

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  improperly

- closed Claimant's FAP and MA cases.
- denied Claimant's application.
- reduced Claimant's benefits.

### 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 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. Reinstate Claimant's FAP and MA cases as of May 1, 2012;
2. Issue supplements for any FAP benefits Claimant was eligible to receive but did not from May 1, 2012, ongoing;
3. Provide MA coverage to Claimant that she was eligible to receive from May 1, 2012, ongoing; and
4. 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: June 5, 2012

Date Mailed: June 5, 2012

**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:

