

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201262117
Issue No.: 2012; 3008
Case No.: [REDACTED]
Hearing Date: August 15, 2012
County: Wayne (19)

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 August 15, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Manager, and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly deny Claimant's application for Food Assistance Program (FAP) benefits?

Did the Department properly process Claimant's application for Medical Assistance (MA) benefits under the Medicare Savings Program (MSP)?

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 FAP and MA benefits on June 11, 2012.
2. On June 12, 2012, the Department sent Claimant a Verification Checklist requesting, among other things, verification of her checking account.
3. The Department did not receive verification of Claimant's checking account.

4. On June 27, 2012, the Department sent Claimant a Notice of Case Action notifying her that her FAP application was denied because she had failed to verify, or allow the Department to verify, information.
5. The Department did not send Claimant a Notice of Case Action concerning her MSP application.
6. On June 28, 2012, Claimant filed a hearing request, contending that her FAP case was closed in error and requesting assistance for the State's payment of her Medicare premiums.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services, Bridges Administrative Manual (BAM) (2012), the Bridges Eligibility Manual (BEM) (2012), and the Reference Tables Manual (RFT) (2012).

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 Mich Admin Code, R 400.3101 through R 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 Mich Admin Code, R 400.3001 through R 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 AACS, R 400.3151 through R 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 Mich Admin Code, R 400.5001 through R 400.5015.

Additionally, in her hearing request, Claimant stated that her FAP case was closed in error and asked for assistance in having the State pay for her Medicare premium.

FAP Case

At the hearing, the Department focused its case on an application Claimant had filed for FAP benefits on June 11, 2012. The Department testified that Claimant's application was denied because she did not respond to a request for verification of her checking account sent to her on June 12, 2012, requiring either a current statement from her bank or financial institution or a DHS-20 (Verification of Assets) form completed by her financial institution. Claimant testified that she gave the DHS-20 to a bank representative, who told her that she would send it to the Department. The Department did not receive the completed form. Because the Department was unable to verify Claimant's assets, it properly denied Claimant's FAP application. See BEM 400 (April 1, 2012) p 3.

Because Claimant had indicated on her hearing request that her FAP case had been closed in error, during the hearing the Department further investigated Claimant's benefits status. The Department credibly testified that Claimant had filed another FAP application online on May 21, 2012, and, although this application was initially approved, the FAP case closed on June 4, 2012, because Claimant had failed to provide verifications, again referencing the lack of checking account verification.

During the course of its investigation, the Department also became aware that Claimant had been an ongoing recipient of food assistance under the Michigan Combined Application Project (MiCAP), but that case closed effective April 1, 2012. Claimant testified that she had received notice that her prior food assistance case, presumably her MiCAP case, was closing because of excess income. However, no Notice of Case Action was presented to establish the basis of the closure of that case or to establish that Claimant had failed to file her June 28, 2012 request for hearing concerning the closure of that case in a timely manner. See BAM 600 (April 1, 2012), p 4. Thus, the Department failed to satisfy its burden of showing either (i) that it acted in accordance with Department policy with respect to the closure of the MiCAP case or (ii) that the request for hearing concerning that action was untimely.

MSP Application

The Michigan Savings Program requires the Department may pay an individual's Medicare premiums based on the type of MSP benefits the individual is eligible to receive. BEM 165. In this case, Claimant filed an MA application on June 11, 2012. The Department testified that it registered Claimant's application for MSP eligibility.

While the Department testified that Claimant's application had been denied because she had failed to verify her assets, it was uncertain whether Claimant had been notified of the denial through a Notice of Case Action. The only Notice of Case Action the Department presented into evidence was the June 27, 2012 notice denying Claimant's FAP application. Thus, the Department has failed to establish that it processed Claimant's MSP application in accordance with Department policy. See BAM 115 (May 1, 2012).

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 when.

did not act properly when it failed to show that it closed Claimant's MiCAP case in accordance with Department policy or that it properly processed Claimant's MSP application.

Accordingly, the Department's decision is AFFIRMED REVERSED for the reasons stated on the record and above.

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 MiCAP case as of April 1, 2012;
2. Issue supplements to Claimant for any MiCAP benefits she was eligible to receive but did not from April 1, 2012, ongoing;
3. Reregister Claimant's June 11, 2012 MSP application;
4. Reprocess the application in accordance with Department policy;
5. Provide Claimant with MSP coverage she was eligible to received but did not from June 11, 2012, ongoing; and
6. 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: August 23, 2012

Date Mailed: August 23, 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/hw

cc:

