

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201272703  
Issue No.: 3008  
Case No.: [REDACTED]  
Hearing Date: September 26, 2012  
County: Oakland (04)

**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 September 26, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

**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 checked="" type="checkbox"/> Food Assistance Program (FAP)? | <input type="checkbox"/> State Disability Assistance (SDA)? |
| <input type="checkbox"/> Medical Assistance (MA)?                  | <input type="checkbox"/> Child Development and Care (CDC)?  |
| <input type="checkbox"/> Direct Support Services (DSS)?            |   |

**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 checked="" type="checkbox"/> Food Assistance Program (FAP). | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input type="checkbox"/> Medical Assistance (MA).                  | <input type="checkbox"/> Child Development and Care (CDC).  |
| <input type="checkbox"/> Direct Support Services (DSS).            |   |

2. On August 27, 2012, the Department  
 denied Claimant's application     closed Claimant's case  
due to failure to provide requested verifications.
3. On August 27, 2012, the Department sent  
 Claimant     Claimant's Authorized Representative (AR)  
notice of the     denial.     closure.
4. On August 21, 2012, Claimant filed a hearing request, protesting the  
 denial of the application.     closure of the case.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services 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 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 Mich Admin Code, 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.

Direct Support Services (DSS) is administered by the Department pursuant to MCL 400.57a, et. seq., and Mich Admin Code R 400.3603.

Additionally, the Department testified that Claimant's August 2, 2012 FAP application was denied because she did not respond to a Verification Checklist (VCL) sent to her August 13, 2012, requiring (i) either a current account statement from her bank or financial institution or a DHS-20 (Verification of Assets) form completed by her financial institution for both her checking and savings accounts and (ii) verification of her rent.

The Department requires that a FAP applicant verify savings and checking accounts in order for the Department to determine whether the applicant's assets exceed the FAP asset value limit of \$5000. BEM 400 (April 1, 2012), pp 4, 12-14, 44-46. At the hearing, Claimant admitted that she had not responded to the VCL but credibly testified that she did not have a checking or savings account. The Department testified that it requested account information because its system indicated that Claimant had existing checking and savings accounts. The evidence at the hearing established that Claimant was only 20 years old and had not applied for, or received, any Department benefits prior to July 2012. Claimant credibly testified that she had not identified any accounts in her applications submitted to the Department, and the Department did not present any evidence to the contrary. Claimant further credibly testified that her income consisted of a monthly check for Supplemental Security Income (SSI) benefits, which her mother cashed for her, and that she used all the proceeds to pay for her monthly expenses. The fact that SSI benefits are sent by check [Department of Human Services, SSI Manual, Part C, Social Security Bulletin (SSB) 2012-002], and not electronically deposited into bank accounts, further supports Claimant's testimony that she did not have any bank accounts. The Department did not present any evidence other than its computer printout to counter Claimant's credible testimony that she did not have checking or savings accounts. The totality of the facts in this case support Claimant's testimony that she did not have savings or checking accounts. Thus, the Department did not act in accordance with Department policy when it denied Claimant's FAP application on the basis that Claimant had failed to provide verification of her assets.

Claimant also admitted that she had not provided verification of her housing expenses. If a FAP applicant does not verify shelter expenses, the Department removes shelter expenses from the client's FAP budget. BEM 554 (January 1, 2011), pp 10-11. Thus, Claimant's failure to verify her housing expenses results in shelter expenses being excluded from her FAP budget, not denial of her application.

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    DSS.


### **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    DSS  
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 2, 2012 FAP application;
2. Begin reprocessing Claimant's application in accordance with Department policy and consistent with this Hearing Decision;
3. Issue supplements to Claimant for any FAP benefits she is eligible to receive but did not from August 2, 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: 10/4/2012

Date Mailed: 10/4/2012

**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:

