

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012-27062
Issue No.: 2006
Case No.: [REDACTED]
Hearing Date: May 16, 2012
County: Wayne (15)

ADMINISTRATIVE LAW JUDGE: Michael J. Bennane

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 16, 2012, from Detroit, Michigan. Participants on behalf of Claimant included [REDACTED]

[REDACTED] Participants on behalf of the Department of Human Services (Department) included [REDACTED]

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

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 SDA CDC.
2. On November 30, 2011, the Department denied Claimant's application. closed Claimant's case.

reduced Claimant's benefits .

3. On November 25, 2011, Claimant filed a hearing request, protesting the

denial of claimant's application.

closure of Claimant's case.

reduction of Claimant's benefits.

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 1997 AACSR 400.3101-3131. 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 1997 AACSR 400.3001-3015

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 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 1998-2000 AACSR 400.3151-400.3180.

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 1997 AACSR 400.5001-5015.

Additionally, the Department's closure of the claimant's MA due to lack of a response to the Department's redetermination is not backed by any evidence other than the

Department's testimony. This being the case the Department has failed to support its decision to close the claimant's MA on November 30, 2011.

The claimant was an SSI recipient and became a RSDI recipient through his father. There is no documentation that the Department explored the ramifications of this fact or the fact that the claimant is a Disabled Adult Child (DAC).

Department policy demands certain departmental actions when SSI is terminated.

SSI TERMINATIONS

When SSI benefits stop, central office evaluates the reason based on SSA's negative action code, then does one of the following:

SSI Closure. MA-SSI is closed in Bridges if SSI stopped for a reason that prevents continued MA eligibility (for example, death, moved out of state). Bridges sends the recipient a DHS-1605.

Transfer to SSIT. SSI cases not closed due to the policy above are transferred to the SSI Termination (SSIT) Type of Assistance. A redetermination date is set for the second month after transfer to allow for an ex parte review; see glossary.

Local Office Responsibilities for Cases Transferred to SSIT

Based on current circumstances, determine whether the client qualifies for MA under:

MA While Appealing Disability Termination in this item, or

Any other MA category; see BEM 105.

An ex parte review (see glossary) is required before Medicaid closures when there is an actual or anticipated change, unless the change would result in closure due to ineligibility for all Medicaid. When possible, an ex parte review should begin at least 90 days before the anticipated change is expected to result in case closure. The review includes consideration of all MA categories; see BAM 115 and 220.

When an SSI-T EDG is set in Bridges, the specialist will receive the following Task/Reminder (T/R): Send DHS-1171 to client as Medicaid Transitional SSI case newly Certified. The T/R has a 15 day due date. On or before the Task/Reminder due date the specialist should mail a redetermination packet to the client and authorized representative. The redetermination packet should include the DHS-1171 Assistance Application and the Word version of the DHS-3503 Verification Checklist. The specialist should mark the verifications required for Medicaid on the DHS-3503.

Process the application through Initiate Interview, Intake, in Bridges. Generate the appropriate disability forms. Do not require an updated or new application form when you know eligibility exists under MA While Appealing Disability Termination in this item. Complete the review during the second month of the SSI-T. Document all factors in the case record, including disability and blindness.

If continued MA eligibility does not exist, use standard negative action procedures.

MA While Appealing Disability Termination

MA eligibility continues for an individual who:

Has been terminated from SSI because he is no longer considered disabled or blind, and

See BEM 260 about SSI denial codes.

Has filed an appeal of the termination with SSA within SSA's 60-day time limit, and

See BEM 260 for information about the SSA appeal process and appeal codes.

Is a Michigan resident.

Other eligibility factors such as income, assets and third party resource liability are not an issue.

MA eligibility continues until the person:

Exhausts his SSA appeal rights, or

Fails to file an appeal at any step within SSA's 60-day time limit, or

Is no longer a Michigan resident. (BEM 150, p. 5-6)

In the instant case the Department did not follow the above procedure. In addition, at the hearing the claimant testified that SSI benefits had been reinstated.

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 case.

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. Reopen the claimant's MA back to its closure or November 30, 2011. Additionally, the Department shall determine the claimant's status as a DAC and address the issues that arise if he is found to be a DAC and those that arise by reason of his having been terminated for SSI by reason of his RSDI determination. Department policy for the latter is spelled out in detail above.



Michael J. Bennane
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: May 29, 2012

Date Mailed: May 29, 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

MJB/cl

cc:

