

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

IN THE MATTER OF:



Reg. No.: 201229083
Issue No.: 2001; 3019
Case No.: [REDACTED]
Hearing Date: March 8, 2012
County: Macomb (20)

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 March 8, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

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

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 AMP.
2. Claimant was was not provided with a Verification Checklist (DHS-3503).
3. Claimant was required to submit requested verification by December 19, 2011.

4. On February 1, 2012, the Department
 - denied Claimant's application
 - closed Claimant's AMP case
 - reduced Claimant's benefitsfor failure to submit verification in a timely manner.

5. On January 1, 2012, the Department
 - denied Claimant's application
 - closed Claimant's FAP case
 - reduced Claimant's benefitsfor failure to submit verification in a timely manner.

6. On January 13, 2012, the Department sent notice of the
 - denial of Claimant's application.
 - closure of Claimant's cases.
 - reduction of Claimant's benefits.

7. On January 20, 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 AACCS, 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 redetermination, the Department sent Claimant a Verification Checklist (VCL) on December 9, 2011, requesting documentation concerning Claimant's checking and savings accounts, loss of employment and evidence of employment income for the preceding 30 days by December 19, 2011. On December 12, 2011, Claimant submitted her response to the VCL consisting of a signed notice stating that "Georgia has not worked for me since the end of January" with a contact number and a copy of Claimant's debit card and a bank receipt dated December 9, 2011.

The Department testified that the copy of the debit card and receipt was not an adequate response to the request for a checking account statement because the receipt did not identify the account number or identify Claimant as the owner of the account. However, the receipt did indicate that it was associated with an account whose last four numbers matched the last four numbers on Claimant's debit card. The purpose of the checking account statement is to verify asset value. For determining asset eligibility for FAP, the Department must consider the lowest checking balance in the month. BEM 400. Because the receipt provided by Claimant indicated that Claimant's checking account balance was \$14, significantly below the \$5000 FAP asset limit, Claimant provided adequate verification concerning her checking account for purposes of establishing her asset value for FAP purposes. The receipt was also sufficient to establish Claimant's assets for MA purposes. Claimant credibly testified that she did not have a savings account, and the Department did not indicate at the hearing that it needed any further information with respect to Claimant's savings account.

In response to the VCL, Claimant also provided a signed note from her former employer, someone whose home she cleaned, indicating that "[Claimant] has not worked for me since the end of January" and providing a contact number. While the note was not dated, it was marked as received by the Department on December 12, 2011. Thus, it is fair to assume that it referred to January of 2011. For FAP, the Department is required to verify employment that stops. BEM 501. Claimant's note from her former employer was sufficient to establish the termination of her employment.

Thus, while the Department testified that it needed paystubs for the thirty to sixty day period preceding the December 9, 2011, VCL, there did not appear to be any pay to Claimant during that period. Furthermore, the note from Claimant's employer included a contact number if further information was requested. While the Department testified that it assumed that contact had been attempted, there was no evidence to support this assumption. For MA, the Department accepts client statement regarding changes in income for ongoing eligibility determination groups unless the client is completing a redetermination. BEM 501. While Claimant was completing a redetermination with respect to her FAP case, she was not completing a redetermination with respect to her AMP case. Thus, the information Claimant provided concerning her employment was sufficient under Department policy to verify her employment status for both FAP and AMP purposes. As such, the Department did not act in accordance with Department policy when it closed Claimant's FAP and AMP cases for failure to provide requested verifications.

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 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 case as of January 1, 2012;
2. Reinstate Claimant's AMP case as of February 1, 2012;
3. Begin reprocessing Claimant's FAP eligibility as of January 1, 2012, and her AMP eligibility as of February 1, 2012;
4. Issue supplement for any FAP benefits Claimant was entitled to receive but did not from January 1, 2012, ongoing;
5. Issue supplements for any AMP benefits Claimant was eligible to receive but did not from February 1, 2012, ongoing;

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: March 15, 2012

Date Mailed: March 15, 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 to:

Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

ACE/hw

20129083/ACE

cc:

