

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201235074
Issue No.: 2021 3021
Case No.: [REDACTED]
Hearing Date: April 9, 2012
County: Wayne DHS (57)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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, an in-person hearing was held on April 9, 2012, from Detroit, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of Department of Human Services (Department) included [REDACTED], Specialist.

ISSUE

Due to excess assets, did the Department properly deny the 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"/> Medical Assistance (MA)? | <input checked="" type="checkbox"/> Food Assistance Program (FAP)? |

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, including the testimony at the hearing, 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"/> Medical Assistance (MA). | <input checked="" type="checkbox"/> Food Assistance Program (FAP). |

2. Due to excess assets, on 2/7/12, the Department denied Claimant's application. closed Claimant's case.

3. On 2/7/12, the Department sent
 Claimant Claimant's Authorized Representative (AR)
notice of the denial. closure.
4. On 2/17/12, Claimant filed a hearing request, protesting the
 denial of the application. closure of the case.

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 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 Food Assistance Program (formerly known as the Food Stamp 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). DHS administers the FAP pursuant to Michigan Compiled Laws 400.10, *et seq.*, and Michigan Administrative Code R 400.3001-3015.

DHS must periodically redetermine an individual's eligibility for benefit programs. BAM 210 at 1. A complete redetermination is required at least every 12 months. *Id.*

The redetermination process begins with DHS mailing a redetermination packet in the month prior to the end of the benefit period. *Id.* at 4. The packet consists of forms and requests for verification that are necessary for DHS to process the redetermination. The forms needed for redetermination may vary, though a Redetermination (DHS-1010) is an acceptable review form for all programs. Verifications for redetermination must be provided by the end of the current benefit period or within 10 days after they are requested, whichever allows more time. *Id.* at 12.

In the present case, Claimant submitted all necessary documents for a FAP and MA benefit redetermination and DHS timely processed the redetermination. As of 2/7/12, the date that DHS processed Claimant's redetermination, there was no dispute that DHS properly found Claimant to be ineligible for FAP and MA benefits effective 3/2012 based on asset verifications which established that Claimant's assets exceeded \$5,000.

On 2/17/12, Claimant requested an administrative hearing concerning the redetermination decision. Claimant also reported that he transferred approximately \$4,000 of his assets to his daughter. The issue is whether DHS owed Claimant a subsequent redetermination based on the new information reported and verified by Claimant.

DHS regulations do not address the specific circumstances of the present case. It is known when DHS initiates a negative action such as case closure, the effective date is pending for a minimum of 12 calendar days. BEM 220 at 9. DHS regulations do not specifically cite the purpose for delaying the effective date, but a reasonable explanation would be to allow clients time to address and/or correct problems with a benefits case. For example, a benefit case closing due to a client's failure to meet a ten day time limit will not close, at least not for a failure to submit verifications, if a client submits the needed documentation within the pending negative action period.

In the present case, Claimant quickly responded to the DHS notice of case closure and reported a change which may have affected FAP and MA benefit eligibility. DHS conceded that a second redetermination decision was not performed. Because Claimant reported new information prior to the effective date of the redetermination, DHS should be obligated to issue a new redetermination. It is found that DHS should have sent Claimant a new redetermination based on the newly reported asset information.

It should be noted that this decision does not state that Claimant was eligible for MA and FAP benefits based on the transfer of money to his daughter. This decision only addresses that Claimant reported information to justify a new redetermination.

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 by failing to process a second redetermination based on newly reported asset information.

Accordingly, the Department's AMP FIP MA FAP 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. redetermine Claimant's FAP and MA benefits effective 3/2011 based on Claimant's \$4,000 transfer of money transferred to his daughter; and
2. supplement Claimant for any FAP and MA benefits (if any) not previously issued.



Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: April 12, 2012

Date Mailed: April 12, 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

CG/hw

cc:

