

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012-5505
Issue No.: 2006
Case No.: [REDACTED]
Hearing Date: March 28, 2012
County: Macomb (12)

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 March 28, 2012, from Detroit, Michigan. Participants on behalf of Claimant included the claimant and [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. Claimant was required to submit requested verification by July, 18, 2011, July 28, 2011, August 8, 2011 and August 18, 2011.
3. On September 6, 2011, the Department denied Claimant's application

- closed Claimant's case
- reduced Claimant's benefits

4. On September 7, 2011, the Department sent notice of the
- denial of Claimant's application.
 - closure of Claimant's case.
 - reduction of Claimant's benefits.
5. On September 23, 2011, Claimant filed a hearing request, protesting the
- denial. closure. reduction of Claimant's FAP 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 AACS R 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 AACS R 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 AACS R 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 AACS R 400.5001-5015.

Additionally, the Department stated that the claimant wished to withdraw her hearing request. When questioned, the claimant stated that she wished to add other issues to the request for hearing. This Administrative Law Judge asked the claimant if she had medical bills since her June 23, 2011, MA application and the claimant responded in the affirmative.

This Administrative Law Judge then informed the claimant and her representative that if that was done, her ability to have a hearing on the issue she originally wished to have decided, or to have the medical expenses since June 23, 2011, reviewed for payment would no longer be available to her, due to the ninety day limit, under which the claimant must request a hearing within ninety days of the negative action. "MAHS will not accept a withdrawal if it fails to adequately address and dispose of all concerns in the hearing request. MAHS will notify the hearings coordinator, client and AHR if a withdrawal is not accepted." (BAM 600, p. 21). This Administrative Law Judge determined that a hearing should proceed.

The documentation provided in the claimant's file showed that she had attempted to fulfill the Department's request for verification but was only able to provide the Department with documentation of the cash value of a \$25,000.00 whole life insurance policy which showed a "cash surrender value" of \$225.36. This is clearly shown in a CUNA Mutual Group "Summary of Values" as of March 20, 2011.

This Administrative Law Judge finds that the Department failed to use the best information available as required in BAM 130:

"The client must obtain required verification, but you must assist if they need and request help.

If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If no evidence is available, use your best judgment." (BAM 130, p.3).

In the instant case, the Department had the summary of values from the insurance company that had been prepared on March 22, 2011. The Department stated that it needed the cash value of said policy for the month of application. The information provided was clearly the best information available and very current information.

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. Reregister and process the claimant's June 23, 2011, MA application, utilizing the cash value of \$225.36 for the cash value of the insurance policy at the time of application. In addition, if the claimant is found to have qualified for MA back to June 23, 2011, the Department will replace any lost benefits back to the date of application.



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

Date Signed: April 10, 2012

Date Mailed: April 10, 2012

NOTICE:

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

2012-5505/MJB

cc:

