

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012-58034
Issue No.: 4003
Case No.: [REDACTED]
Hearing Date: September 20, 2012
County: Wayne (82-15)

ADMINISTRATIVE LAW JUDGE: Kathleen H. Svoboda

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 20, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED] Department of Human Services (Department), but who appeared as witness for her son and not in her capacity as a Department specialist. Participants on behalf of the 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 checked="" type="checkbox"/> State Disability Assistance (SDA)? |
| <input type="checkbox"/> Food Assistance Program (FAP)? | <input type="checkbox"/> Child Development and Care (CDC)? |
| <input 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 May 1, 2012.

3. On June 1, 2012, the Department
 - denied Claimant's application.
 - closed Claimant's case.
 - reduced Claimant's benefits.

4. On June 1, 2012, the Department sent notice of the
 - denial of Claimant's application.
 - closure of Claimant's case.
 - reduction of Claimant's benefits.

5. On June 5, 2012, 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 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 AACRS R 400.5001-5015.

Additionally, Claimant's case was scheduled for redetermination with requested verifications due May 1, 2012. As of May 30, 2012, the verifications required were not logged in so Claimant's SDA benefits case was closed for failure to provide verifications/comply with the redetermination requirements per BEM 261.

At the hearing, the Assistance Payments Supervisor (APS) testified to the varied circumstances that caused confusion relative to this case. As of August 2009, cases such as claimant's that involved Michigan Rehabilitation Services (MRS) programs were converted from one case management system, identified as CIMS, to Bridges. Since that conversion occurred, this is the first time Claimant's case has been subject to review.

The APS also testified that reporting requirements changed, including a change in some of the verification forms. Per her testimony, Bridges should be programmed to generate notices regarding the forms now required for redetermination, such as the Individual Plan for Employment (IPE). As the ES was having some difficulty regarding the initial request for verification due to the conversion and was relatively new to the process, the APS was working with her and verbal communications were taking place with Claimant. There was no documentary evidence available to offer into evidence other than proposed documented telephone contacts. There was no Notice of Case Action available at the hearing. There was no Verification Check List (VCL) offered by the Department.

The most significant issue relates to the IPE that is now required as part of the redetermination documents. Due to conversion factors, it is not clear that this document is now identified on the VCL that is generated by Bridges in place of the old form that has been previously required.

Further relative to the IPE, the APS testified that MRS has advised it takes up to 60 days to prepare these plans so that even if there was a notice that the IPE was required, there was no way it would be available during the period of time allotted for submitting the VCL, or even a reasonable time thereafter.

Claimant's mother testified that a VCL was received by Claimant, but the only item requested was verification of ID/address which Claimant completed by appearing at the office. The Department representatives were not able to dispute this testimony regarding the items requested on the VCL.

The Department argues that based on verbal communications, Claimant should have known that more was required, even though there was nothing more generated by Bridges, and that BEM 261 continues to require the DHS Form 4698, in addition to the

IPE so, at the least, the DHS-4698 should have been provided by Claimant. However, that form was also not identified on the VCL sent to Claimant.

Verifications are the subject of BAM 130 (May 1, 2012).

Specifically, on Page 5 it notes that negative action notice is to be sent when:

- The client indicates refusal to provide a verification, **or**
- The time period given has elapsed and the client has **not** made a reasonable effort to provide it.

In the instant case, there is no evidence that the client refused to provide the IPE, nor is there evidence that the client has not made a reasonable effort to provide it. In fact, the ES communicated with MRS directly in an attempt to obtain the needed documentation and was told it may take up to 60 days.

Based upon the above section, closure of Claimant's SDA case was improper.

Based on the evidence submitted, it is determined that the Department acted improperly in closing Claimant's case as there was no VCL sent properly identifying the documentation required for the redetermination. Further, the Department has failed to present sufficient evidence to sustain the burden of proof by a preponderance that it acted properly in closing Claimant's case. Due to the conversion difficulties, there was no paperwork available to submit as proposed documentary evidence. It must be noted that the Department ES and APS attempted to overcome what was referred to during the hearing as conversion factors; however, their attempts to overcome the system challenges were not successful.

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

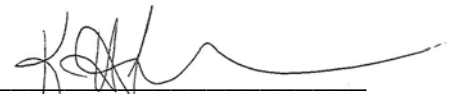
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

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. Initiate the reinstatement of Claimant's SDA benefits back to May 30, 2012, which is the date Claimant's SDA case closed.
2. Initiate payment of any lost benefits back to May 30, 2012, due to the case closure.
3. Provide adequate notice and time for obtaining the IPE relative to any future redeterminations.



Kathleen H. Svoboda
Administrative Law Judge
for Maura Corrigan, Director

Department of Human Services

Date Signed: September 24, 2012

Date Mailed: September 24, 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.

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.

2012-58034/KHS

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

KHS/pf

cc:

