

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201260411
Issue No: 2006, 3008
Case No: [REDACTED]
Hearing Date: July 26, 2012
Genesee #06 County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

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 hearing was held on July 26, 2012. Claimant appeared and testified.

ISSUE

Did the Department properly deny Claimant's February 23, 2012 application for Medical Assistance (MA) and Food Assistance Program (FAP) benefits?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On February 23, 2012, Claimant submitted an application for Medical Assistance (MA) and Food Assistance Program (FAP) benefits. Claimant had an interview with a case worker and the case worker gave Claimant a Verification of Employment (DHS Form 38). The form did not direct the employer to provide Claimant's income for any specific period. The form did not have a specific due date either.
2. On March 23, 2012, Claimant was sent a Verification Checklist (DHS Form 3503). The checklist was only requesting verification of Claimant's lot rent. The verification was due back on April 2, 2012.
3. On March 27, 2012, the Department received the Verification of Employment (DHS Form 38). The form was not accompanied by any specific weekly pay information but copies of Claimant's W-2 forms for 2011 were sent in with the form.

4. On March 30, 2012, the Department received verification of Claimant's bank account and shelter expenses including lot rent.
5. On April 6, 2012, Claimant was sent a Verification Checklist (DHS Form 3503) requesting verification of Claimant's earned income. The form indicated that a Verification of Employment (DHS Form 38) was acceptable verification. The verification was due back on April 16, 2012.
6. On April 9, 2012, the Department sent Claimant a Notice of Case Action (DHS-1605) which denied Claimant's application for both Medical Assistance (MA) and Food Assistance Program (FAP) benefits.
7. On April 13, 2012, Claimant filed a hearing request.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

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 AACRS 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 of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

BAM 115 APPLICATION PROCESSING POLICY All Programs

Clients must complete and sign one of the following application forms:

- DHS-1171, Assistance Application (all programs). **Note:** A MI Bridges online application is considered the same as the DHS-1171.
- DHS-4583, Child Development and Care Application (CDC).
- DHS-4574, Medicaid Application (patient of nursing home).
- DHS-4574-B, Assets Declaration (for initial asset assessment); see BEM 402.

- DCH-0373, MIChild/Healthy Kids Application (Healthy Kids categories).
- The MIChild renewal form. This is a Healthy Kids application.

Any application or the DHS-1171, Filing Form, with the minimum information, must be registered in Bridges; see [BAM 110, Response to Applications](#).

Following registration of the application, do **all** of the following:

- Interview clients when required by policy; see INTERVIEWS in this item.
- Certify eligibility results for each program within the applicable standard of promptness (SOP); see [Standards Of Promptness](#) and [Processing Delays](#) in this item.
- Bridges automatically generates a client notice informing them of the eligibility decision. BAM 220 explains the use of client notices.

INCOMPLETE APPLICATIONS All Programs

An incomplete application contains the minimum information required for registering an application. However, it does not contain enough information to determine eligibility because all required questions are not answered for the program(s) for which the client is applying; see BAM 105.

When an incomplete application is filed, retain the application and give or send the client the DHS-3503, Verification Checklist. Inform the client of the:

- Request for contact to complete missing information.
- Due date for missing information.
- Interview date, if applicable.

If an interview is necessary, conduct it on the day of the filing, if possible. Otherwise, schedule it for **no later than 10 calendar days** from the application date.

Application Completed Later All Programs

When an incomplete application becomes complete, explain the situation in the case notes section of the application form or in case comments in Bridges.

When the applicant or the representative completes a previously incomplete application, the application must be re-signed and re-dated on the signature page.

Bridges retains the original registration date, regardless of how or when the application becomes complete.

Failure to Complete the Application Process All Programs

Do **not** deny an incomplete application until 10 calendar days from the **later** of either the initial:

- Request in writing to the applicant to complete the application form or supply missing information.
- Scheduled interview.

Exception: For FAP, do **not** deny an application if the client has not participated in the **initial interview** until the **30th** day after the application date **even** if they have returned all required verifications. When denying cases on the 30th day, navigate to the *Program Request Details* screen and select *Failed to Attend Food Assistance Intake Interview* as the reason for the denial. The initial interview **must** be scheduled as an in-person appointment, phone appointment or home call.

STANDARDS OF PROMPTNESS All Programs

The standard of promptness (SOP) begins the date the department receives an application/filing form, with minimum required information.

See BAM 105, for the minimum required information for filing. Process applications and requests for member adds as quickly as possible, with priority to the earliest application date; see [Processing Delays](#) in this item. Requests for member adds must be entered in Bridges.

MA Only

The SOP for an **initial asset assessment** begins the date the local office receives a signed DHS-4574-B, Assets Declaration. Complete the assessment and mail the client and spouse a notice within 45 days; see BEM 402.

FAP Only

The expedited due date (SOP) is six calendar days after the application date. The regular FAP due date (SOP) is 29 calendar days after the application date.

FAP benefits must be **available** by the seventh day for expedited and the thirtieth day for regular FAP. Available means clients **must** have a Bridge card and access to their benefits by the seventh day for expedited and the thirtieth day for regular FAP benefits.

ELIGIBILITY DECISIONS

Denials All Programs

If the group is ineligible **or** refuses to cooperate in the application process, certify the denial within the standard of promptness to avoid receiving an overdue task in Bridges. Bridges sends a DHS-1605, Client Notice, or the DHS-1150, Application Eligibility Notice, with the denial reason(s); see Reference Forms & Publications (RFF) manual.

Subsequent Processing

FAP Only

Proceed as follows when a client completes the application process **after denial** but within 60 days after the application date. On or before the 30th day:

- Re-register the application, using the **original** application date.
- If the client is eligible, determine whether to prorate benefits according to initial benefits policy in this item.

Between the 31st and 60th days:

- Re-register the application, using the date the client **completed** the process.
- If the client is eligible, prorate benefits from the date the client complied.

PROCESSING DELAYS All Programs

If an application is **not** processed by the standard of promptness (SOP) date, document the reason(s) in the case record. Document further delays at 30-day intervals.

Exceeding the SOP **cannot** be the **sole** reason for a denial. When one program approval/denial will exceed the SOP, certify eligibility results for any others such as FAP within the SOP, if possible.

FAP Fault Determination FAP Only

For a pending application, determine who is at fault for the delay every 30 days after the application date.

Note: This affects an approval of benefits for the months of delay, but **not** necessarily a denial; see [Denials](#) under Eligibility Decisions in this item.

FAP Group at Fault

If the 30-day SOP is **not** met **and** the group is at fault, the following applies:

- Select **yes** for the Extend SOP due to group at fault question on the Program Request Details screen for FAP.
- Bridges sends a DHS-1150-E, Food Assistance Application Notice, to inform the group that the EDG is pending and will be denied on the 60th day unless the needed actions are taken.
- Bridges prorates benefits from the date the group complies with all application requirements.

The group is at fault when you have taken all required actions but the group has **not** complied with either of the following:

- Provided all verifications by the 30th day, despite 10 days or more to provide them.
- Participated in the scheduled interview; see [Interviews](#) in this item.

Local Office at Fault

If all necessary actions have not been completed **and** the application will pend beyond the 30th day, the following apply:

- Bridges sends the DHS-1150-E to inform the group of the pending status and any action required to complete the process. **Note:** The group has 10 days from the DHS-1150-E mailing to provide verifications.
- Take prompt action to correct the cause of the delay.
- If eligible, the group's benefits begin with the application date.

The local office is at fault if you fail to:

- Request necessary verifications at least 10 days before the 30th day.
- Provide requested help to complete the application process or secure verifications.
- Schedule a timely interview, resulting in less client time than policy requires to take an action; see [Interviews](#) in this item.
- Run EDBC and certify results to authorize benefits.

FAP Delays Beyond 60 Days FAP Only

If the application pends beyond 60 days, obtain missing information, if possible, and process the application. There are three possible consequences:

- **Case information complete.** If the group is eligible **and** the local office was at fault on the 30th day, authorize benefits from the application date. If the group was at fault on the 30th day, benefits begin on the date the group completes the application process.
- **Local office at fault, case information *not* complete.** Request missing information via DHS-1150, Application Eligibility Notice, and verification checklist if appropriate. Give the group 10 days to provide verifications. Authorize benefits as for complete cases above.
- **FAP Group at fault, case information *not* complete.** This occurs **only if** verification requested between the 30th and 50th day was **not** provided, and the application is still pending. Deny the application by running EDBC and certifying the results immediately.

The Department case worker who processed this application was not present at the hearing. For that reason a significant amount of information critical to deciding the case was not provided by the Department. The Hearing Summary (DHS-3050) indicates that the application was denied because Claimant did not provide verification of the previous 30 days income. The Verification of Employment (DHS Form 38) provided to Claimant at the interview on February 23, 2012, states that the employer should provide information about each pay received during the period specified below. However, there was no period specified on the form. Neither Claimant nor her employers are responsible to know Department policy and exactly what an employer is required to verify. The fact that the Verification of Employment (DHS Form 38) was not accompanied by specific pay information for the proceeding 30 days is not the fault of Claimant but rather the failure of the Department.

The subsequent Verification Checklist (DHS Form 3503) sent to Claimant on April 6, 2012, did specify the need for verification of “wages, salaries, tips, and commissions”. It also stated that Claimant needed to “return one of the following: Last 30 day of check stubs; employer statement; Verification of Employment (DHS Form 38); or Agricultural

Income Verification (DHS-3569). The Verification of Employment (DHS Form 38) had been provided and once again neither Claimant nor her employers are responsible to know Department policy and exactly what an employer is required to verify. Because a Verification of Employment (DHS Form 38) had been provided, Claimant had no reason to know there was still some other verification needed by the Department.

The Department recognized and stated that Claimant's application was denied before the due date of the April 6, 2012 Verification Checklist (DHS Form 3503). The Department cites the fact that they had still not received the required verification as of June 21, 2012, as a factor to negate the premature denial.

Because the Department failed to provide Claimant clear notice of exactly what verification was required, the Department is responsible for the delay in processing Claimant's February 23, 2012 application. Under those circumstances denial of the application was incorrect. The policy cited above describes the correct way to deal with Claimant's application.

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 NOT properly deny Claimant's February 23, 2012 application for Medical Assistance (MA) and Food Assistance Program (FAP) benefits.

It is ORDERED that the actions of the Department of Human Services, in this matter, are **REVERSED**.

It is further ORDERED that Claimant's February 23, 2012 application be reinstated and processed in accordance with Department policy when the Department is responsible for the processing delay.

/s/ _____
Gary F. Heisler
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: August 2, 2012

Date Mailed: August 3, 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 mailing 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.

GFH/tb

cc:

