

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

**IN THE MATTER OF:**



Reg. No.: 2012 66515  
Issue No.: 2021, 4021,3014  
Case No.: [REDACTED]  
Hearing Date: August 23, 2012  
County: Oakland County DHS (02)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**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 August 23, 2012, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant and a witness, [REDACTED], and the Claimant's attorney, [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED], ES and [REDACTED], Assistance Payments Supervisor.

**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"/> State Disability Assistance (SDA)? |
| <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"/> State Disability Assistance (SDA). |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP) |                                                                        |

2. Due to excess assets, on July 1, 2012 (Medical Assistance) and August 1, 2012 (SDA), the Department  
 denied Claimant's application.     closed Claimant's case.
3. On 7/16/12 MA and SDA, the Department sent  
 Claimant     Claimant's Authorized Representative (AR)  
notice of the     denial.     closure.
4. The Claimant provided the Department a verification of assets on July 26, 2012 indicating that his Scott Trade account had a \$0 (zero) balance, as of June 2011. Exhibit 2.
5. The Claimant did not have any other IRA or 401 K accounts other than the Scott Trade IRA account. Exhibit 2.
6. The Department did not request verification of asset information from the Claimant with a specific due date, and did not issue a verification checklist.
7. The Department denied the Claimant's food assistance based upon excess income.
8. On July 20, 2012, 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 Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

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 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 2000 AACCS, Rule 400.3151 through Rule 400.3180.

Additionally, The Department denied the Claimant's application for medical assistance and SDA (cash assistance) after it determined the Claimant had excess assets. At an interview with the Claimant at intake, the Claimant advised the Department that he had had an IRA in the amount of \$5700 but the account was closed. (Exhibit 2). The Department's efforts to verify information were unclear, and it is determined that the Department did not follow policy with regard to seeking verification as required under the circumstances of this case to determine whether the Claimant had excess assets. Notwithstanding that no verification checklist was issued, the information verifying the Claimant's IRA account balance was provided to the Department on July 26, 2012. The Department searched its Bridges system and it was determined that no verification checklist was ever issued to the Claimant, and thus, the Department did not establish that any verification deadline was missed. The application was received by the Department on July 12, 2012 and a Notice of Case Action was issued on July 16, 2012, 4 days after being received. Even if the Department had attempted to verify the asset information (which it is determined was never requested by the Department), based upon the evidence and testimony offered at the hearing, the Department prematurely and incorrectly denied the application without allowing the Claimant an opportunity to verify assets.

At application, the Department is generally required to verify information. The Department is to advise the client what verification is required, how to obtain it and the due date by using the DHS 3503 (verification checklist). Department of Human Services Bridges Administrative Manual (BAM) 130 pp 3 and 4. Claimants are allowed 10 calendar days to verify information regarding FAP and SDA. BAM 130 pp 5. As regarding medical assistance, verification is generally requested within 10 days, and additional time may be granted.

As the Department did not seek verification of assets it had no basis to find that the Claimant had excess assets, as the Claimant advised the Department that the IRA he previously owned had been closed. Additionally, the Department incorrectly relied on old data in the Bridges system and assumed the Claimant had another IRA for \$5,000, which the Claimant denied. The Claimant is not required to verify an IRA account that never existed. Clearly the Claimant was forthcoming regarding the closed IRA, which at one time contained \$5700, was disclosed at his intake interview and subsequently verified.

As regards the Department's denial of the Claimant's FAP application due to excess income, the Department did not present any evidence as regards the amount of the RSDI income received by the Claimant and did not provide a FAP budget. Therefore, the correctness of its denial of the Claimant's FAP application could not be reviewed, due to lack of evidence being presented.

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, due to excess assets, the Department

properly denied Claimant's application     improperly denied Claimant's application  
 properly closed Claimant's case             improperly closed Claimant's case  
for:     AMP     FIP     MA     SDA     FAP

The evidence presented at the hearing did not substantiate the income relied upon by the Department in its determination that the Claimant had excess income, and therefore it could not be determined whether the Department properly denied the Claimant's FAP 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 act properly.             did not act properly.

Accordingly, the Department's  AMP  FIP  MA  SDA AND  FAP is  
 AFFIRMED  REVERSED for the reasons stated on the record and set forth in this Decision.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. the Department shall reinstate and re process the Claimant's application of 7/12/12 and determine the Claimant's eligibility for benefits.
2. The Department shall, if necessary, seek additional verification it deems required by policy to determine eligibility.
3. The Department shall issue a supplement, if any is appropriate, to the Claimant for benefits he was otherwise eligible to receive in accordance with Department policy.



**Lynn M. Ferris**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

201266515/LMF

Date Signed: September 5, 2012

Date Mailed: September 5, 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 at  
Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

LMF/hw

cc:

