

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

IN THE MATTER OF:



Reg. No.: 201274000
Issue No.: 2018; 3008
Case No.: [REDACTED]
Hearing Date: October 25, 2012
County: Oakland (02)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 October 25, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

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"/> Adult Medical Program (AMP)? |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP)? | <input type="checkbox"/> State Disability Assistance (SDA)? |
| <input checked="" type="checkbox"/> Medical Assistance (MA)? | <input type="checkbox"/> Child Development and Care (CDC)? |

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 AMP SDA CDC.
2. In connection with a redetermination, Claimant indicated that her son no longer lived with her and that she had started a new job.

3. The Department sent Claimant a Verification Checklist (DHS-3503).
4. Claimant was required to submit requested verification concerning her ongoing eligibility under the FAP program by August 27, 2012.
5. On August 31, 2012, the Department closed Claimant's FAP case because she failed to provide the requested verifications in a timely manner.
6. On August 15, 2012, the Department sent Claimant notice that her son would no longer be covered under the MA program as of September 1, 2012, because he was no longer in her household.
7. On August 27, 2012, Claimant filed a hearing request, protesting the Department's actions closing her son's MA case and her FAP case.

CONCLUSIONS OF LAW

Department policies are found in the Department of Human Services Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM) and 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 Mich Admin Code, R 400.3101 through R 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 Mich Admin Code, R 400.3001 through R 400.3015.

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 Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

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 Mich Admin Code, R 400.3151 through R 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 Mich Admin Code, R 400.5001 through R 400.5015.

Additionally, Claimant requested a hearing to dispute the Department's actions closing her son's MA case and her FAP case.

Closure of Son's MA Case

The Department testified that Claimant's son's MA case was closed because the son no longer resided with Claimant and therefore was no longer a member of her household. Claimant credibly testified that her son is a 27-year-old mentally and physically disabled adult. Claimant's son was an Ad-Care recipient. Under these facts, Claimant's son was the sole member of his MA group. See BEM 211 (January 1, 2012), p 5; BEM 163 (October 1, 2010), p 1. It follows that the fact that he may have no longer been a member of Claimant's household was irrelevant to his MA eligibility under the Ad-Care program. If the Department had concerns regarding Claimant's son's residence based on Claimant's comments in its redetermination, the Department bore the burden of requesting verification of residence prior to closing Claimant's son's case. BAM 130 (May 1, 2012), p 1. Furthermore, before closing a client's MA case, the Department is required to conduct an *ex parte* review to determine the client's eligibility for MA coverage under other MA programs, and there was no evidence presented in this case that the Department complied with this policy prior to closing Claimant's son's case. See BEM 220 (July 1, 2012), p 14. Under the facts in this case, the Department did not act in accordance with Department policy when it closed Claimant's son's MA case.

Closure of Claimant's FAP Case

In connection with information Claimant provided in her redetermination, the Department sent Claimant a Verification Checklist (VCL) on August 15, 2012, requesting verifications concerning her vehicle ownership, her rent and her income by August 27, 2012. Although the Department testified that it did not receive the requested verifications by the due date, Claimant credibly testified that she submitted her rent information and paystubs in the Department drop box on August 27, 2012, and signed the sign-in log. The Department and Claimant reviewed the sign-in log for August 27, 2012, and Claimant's signature appeared on the log, with an indication that she had submitted "documents." This evidence was sufficient to establish that Claimant submitted the requested rent and income information by the due date.

Claimant acknowledged that she did not submit verifications concerning her car ownership as requested by the VCL. However, this verification would only be relevant to the assessment of the value of Claimant's assets, and Department policy provides

that a household's vehicle with the highest fair market value is excluded for determining asset value under the FAP program. BEM 400 (July 1, 2012), pp 28-29. Because Claimant disclosed ownership of only a single vehicle, this vehicle would be excluded from the FAP asset determination.

Because Claimant submitted the rent and income verifications requested by the VCL by the due date, the Department did not act in accordance with Department policy when it closed Claimant's FAP case on the basis that she failed to verify requested 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 son's MA case and Claimant's FAP 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. Reinstate Claimant's son's MA case as of September 1, 2012;
2. Provide the son with any MA coverage he was eligible to receive from September 1, 2012, ongoing;
3. Reinstate Claimant's FAP case as of September 1, 2012;
4. Reprocess the FAP redetermination in accordance with Department policy and consistent with this Hearing Decision, allowing Claimant to resubmit the verifications submitted on August 27, 2012, if necessary;
5. Issue supplements for any FAP benefits Claimant was eligible to receive but did not from September 1, 2012, ongoing; and
6. Notify Claimant in writing of its decision in accordance with Department policy.


Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

201274000/ACE

Date Signed: 10/30/2012

Date Mailed: 10/30/2012

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

ACE/hw

cc:

