

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201274555
Issue No.: 2018; 3008
Case No.: [REDACTED]
Hearing Date: October 25, 2012
County: **Wayne (31)- SSPC-East only
in hearing**

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], Assistance Payment Supervisor, and [REDACTED], Assistance Payment Worker, both from SSPC-East.

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. Claimant was was not provided with a Verification Checklist (DHS-3503).

3. Claimant was required to submit requested verification by August 16, 2012.
4. On August 22, 2012, the Department
 - denied Claimant's application
 - closed Claimant's case
 - reduced Claimant's benefitsfor failure to submit verification in a timely manner.
5. On August 22, 2012, the Department sent notice of the
 - denial of Claimant's application.
 - closure of Claimant's case.
 - reduction of Claimant's benefits.
6. On August 27, 2012, Claimant filed a hearing request, protesting the
 - denial. closure. reduction.

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 denying her July 27, 2012 MA and FAP application.

At the hearing, the Department presented evidence that an August 6, 2012, Notice of Case Action had been sent to Claimant informing her that she had MA coverage from August 1, 2012, ongoing under the Healthy Kids for Pregnant Women (HKP) MA program. HKP is available to a woman while she is pregnant, the month her pregnancy ends and during the two calendar months following the month her pregnancy ends. BEM 125 (October 1, 2010), p 1. Presumptive eligibility is determined based on income reported at the time of application. BEM 125, p 1.

In this case, Claimant was pregnant when she applied for MA, and gave birth on August 3, 2012. Although Claimant credibly testified that she did not receive the August 6, 2012 Notice of Case Action advising her that she was covered under HKP, the Department's eligibility summary established that Claimant had HKP coverage from August 1, 2012 ongoing. A review of the Notice of Case Action sent to Claimant on August 22, 2012, denying her MA application shows that the denial concerned *retroactive coverage* under the Group 2 Caretaker (G2C) program for the period between April 1, 2012 and July 31, 2012, based on failure to provide requested verifications.

The Department testified that, in connection with statements made by Claimant in her application, it sent her a Verification Checklist (VCL) on August 6, 2012. The VCL requested various verifications necessary to process Claimant's FAP and MA application, due by August 16, 2012. As discussed above, the Department provided HKP coverage to Claimant for August 1, 2012, ongoing. Therefore, it appears that the verifications were necessary only to process Claimant's retro-MA coverage for the period between April 1, 2012 and July 31, 2012. The Department testified that, when it did not receive the requested verifications, it sent Claimant an August 22, 2012 Notice of Case Action. The Notice denied the FAP for July 26, 2012, ongoing, and Claimant's retro-MA for April 1, 2012 to July 31, 2012.

At the hearing, Claimant credibly testified that she had faxed the requested documents to the Department a total of five times on August 16, 2012. Claimant credibly testified

that she left messages on her worker's voicemail twice to ask if the documents had been received and requested a call back, regardless of whether they had been received, but did not receive a call back. The documents were sent to the Department's self-service processing center and there was no other way for her to submit the documents on August 16, 2012. Claimant received no indication, either from the Department or her fax machine, that the documents had not been received by the Department. Department policy provides that the Department must send a negative action notice concerning a FAP application when a client indicates a refusal to provide verification or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130 (May 1, 2012), p 5. An MA application cannot be denied unless the requested verifications were submitted after the time period given has elapsed. BAM 130, p 6. The evidence in this case establishes that Claimant faxed the documents to the Department on August 16, 2012, the due date, and made a reasonable effort to ensure that they were received. Under the facts in this case, the Department did not act in accordance with Department policy when it denied Claimant's July 27, 2012, FAP and retro-MA application on August 22, 2012 for failure to provide requested verifications.

Furthermore, the Department is required to reregister a FAP application if the client complies by submitting requested verifications within 60 days of the application date. BAM 130, p 5; BAM 115 (May 1, 2012), p 18. The Department testified that it received the fax containing Claimant's verifications after it denied Claimant's application on August 22, 2012. While the Department could not state when it received the documents, it did not appear to be more than 60 days after the July 26, 2012, application. Because Claimant's file had been transferred to the local office, the worker at the SSPC-East office testified that she faxed the documents to the local office. There was no evidence presented that the Department subsequently reregistered and reprocessed the July 26, 2012, application based on the received verifications. See BAM 115 (May 1, 2012), p 18. Thus, the Department did not act in accordance with Department policy in failing to do so.

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 Claimant's July 26, 2012 application;
2. Reprocess the application in accordance with Department policy and consistent with this Hearing Decision, allowing Claimant to resubmit the verifications submitted on August 16, 2012, if necessary;
3. Issue supplements for any FAP benefits Claimant was eligible to receive but did not from July 26, 2012, ongoing;
4. Provide any retro-MA coverage Claimant was eligible to receive but did not between April 1, 2012 and June 30, 2012; and
5. 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

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.

201274555/ACE

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:

