

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

**IN THE MATTER OF:**



Reg. No.: 201344021  
Issue No.: 3015; 2006  
Case No.: [REDACTED]  
Hearing Date: May 30, 2013  
County: Kalamazoo

**ADMINISTRATIVE LAW JUDGE:** Susanne E. Harris

**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 May 30, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of Department of Human Services (Department) included Eligibility Specialist, (ES) [REDACTED].

**ISSUE**

Did the Department properly  deny 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"/> Food Assistance Program (FAP)? | <input type="checkbox"/> State Disability Assistance (SDA)? |
| <input type="checkbox"/> Medical Assistance (MA)?                  | <input type="checkbox"/> Child Development and Care (CDC)?  |

The DHS-1605, Notice of Case Action in evidence indicated that the Claimant's case was denied as did the Claimant's hearing request, but the Department's ES testified that it was active and closed and as such, the Administrative Law Judge is unsure. Did the Department properly  deny/ close Claimant's case for:

- |  |   |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)?  | <input type="checkbox"/> Adult Medical Assistance (AMP)?    |
| <input 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 on the competent, material, and substantial evidence on the whole record, 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"/> Food Assistance Program (FAP). | <input type="checkbox"/> State Disability Assistance (SDA). |
| <input type="checkbox"/> Medical Assistance (MA).                  | <input type="checkbox"/> Child Development and Care (CDC).  |

2. Claimant either  applied for benefits/ received benefits for:  
 Family Independence Program (FIP).       Adult Medical Assistance (AMP).  
 Food Assistance Program (FAP).       State Disability Assistance (SDA).  
 Medical Assistance (MA).       Child Development and Care (CDC).
3. On May 1, 2013, the Department  
 denied Claimant's application       closed Claimant's FAP case  
due to excess income.
4. On June 1, 2013, the Department was to either  
 deny Claimant's application    or     close Claimant's case  
due to Claimant's failure to submit a missing check stub.
5. On April 3, 2013, the Department sent  
 Claimant       Claimant's Authorized Representative (AR)  
notice of the       denial.     FAP closure.
6. On April 3, 2013, the Department sent  
 Claimant       Claimant's Authorized Representative (AR)  
notice of the       MA denial or  MA closure.
7. On April 12, 2013, Claimant filed a hearing request, protesting the  
 closure of the FAP case and either the  denial of the MA application or   
closure of the MA case.

### **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 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, R 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 1999 AC, R 400.3001 through Rule 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 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.

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 of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACRS, R 400.3151 through Rule 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 1999 AC, R 400.5001 through Rule 400.5015.

The exhibits in evidence and the Claimant's hearing request all indicate that the Claimant's application for MA was denied, though the ES at the hearing testified that the Claimant had an active MA case. When the Administrative Law Judge ask the ES how he could be sure the case was active and had closed, the ES could not answer that question. The DHS-1605, Notice of Case Action in evidence used the terminology "denial." The Administrative Law Judge remains unclear as to the negative action in the MA case.

The ES testified that the Claimant's FAP case was closed due to excess income. However, there was no FAP budget in evidence and no SOLQ in evidence to establish that the Claimant had [REDACTED] in unearned income as the DHS-1605, Notice of Case Action budget summary indicates. Also, the Claimant was missing a check stub, and the ES testified at the hearing that he simply then added the paystubs in evidence together to determine the Claimant's monthly income. Bridges Eligibility Manual (BEM) 505 (2010) p. 6 instructs the Department's workers to convert stable and fluctuating income to a standard monthly amount using a formula, for weekly income as in this case, by multiplying that weekly income by 4.3. Furthermore, the ES at the hearing testified that the Claimant's MA case was closed for failure to submit a missing check stub because the Bridges Computer program required the information from that check stub. The Administrative Law Judge is perplex as to why it is that the computer system permitted an income determination in the FAP case with a missing pay stub but would not permit an MA determination with a missing pay stub.

The Claimant testified that he was not given a pay stub for the missing week because he only did some driving and was only reimbursed for mileage, and that was direct deposited into his account. The Claimant testified that he called the ES several times and conveyed he had nothing further to give to the ES. The ES testified that those calls were returned and that the ES also left two messages for the Claimant. The ES conceded that he actually talked to the Claimant before his case/application was scheduled to close/be denied on June 1, 2013. The ES said he told the Claimant to come in and pick up a DHS-38, Verification of Employment Form. The Claimant testified that he did not recall that conversation.

Regarding the FAP closure due to excess income, there is no documentary evidence of the Claimant's unearned income and the Claimant's earned income was not budgeted according to BEM 505. Furthermore, there is no FAP budget in evidence and a FAP budget is critical to a determination of whether or not the Claimant's eligibility for FAP has been properly calculated. As such, the evidence establishes that the Department was not acting in accordance with its policy when taking action to close the FAP case.

Bridges Administrative Manual (BAM) 130 (2012) p. 5 provides that the time limit for submitting verification for MA can be extended up to three times. (BAM) 130 (2012) p. 5 also provides that verifications are considered to be timely if received by the date they are due. BAM 130 p. 5 instructs Department workers to send a negative action notice when the client indicates refusal to provide a verification, or when the time period given has elapsed and the client has not made a reasonable effort to provide it. In this case, the Claimant did return the DHS-3503, Verification Checklist indicating that he had submitted all the pay stubs he had. As such, the Claimant did make a reasonable effort to provide the verification the Department required. The Administrative Law Judge determines that the time period to submit the verification had lapsed. However, based on the Claimant's notation on the DHS-3503, verification checklist, the telephone messages and conversations which occurred between the Claimant and the ES, the deadline to submit the verification should have been extended because it was clear the Claimant was having difficulty. Furthermore, the Claimant should have been sent a new DHS-3503, Verification Checklist along with a DHS-38, Verification of Employment form, as opposed to being told to come into the local office to pick up the form. As such, the Administrative Law Judge concludes that the Department has not met its burden of establishing that it was acting in accordance with policy when taking action to close the Claimant's MA case/deny the Claimant's application for MA, for failure to submit the required verification.

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

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law finds that the Department  did act properly.     did not act properly.

Accordingly, the Department's  AMP    FIP    FAP    MA    SDA    CDC decision is  AFFIRMED    REVERSED.

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

1.     Initiate action to re-determine the Claimant's eligibility for FAP and MA back to the FAP closure date and the MA closure/denial date based on budgets which can be produced if necessary, and

2. Initiate action to issue the Claimant any supplements he may thereafter be due.

/s/

Susanne E. Harris  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: May 31, 2013

Date Mailed: June 3, 2013

**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

SEH/tb

cc:

