

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-53767
Issue Nos.: 2006, 3008, 6019
Case No.: [REDACTED]
Hearing Date: July 18, 2013
County: Wayne (82-15)

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 July 18, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUES

1. Did the Department properly close Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) cases?
2. Did the Department properly process Claimant's MA and Child Development and Care (CDC) applications?

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 was an ongoing recipient of FAP and MA benefits.
2. On February 15, 2013, the Department sent Claimant a New Hire Client Notice requesting that she submit the completed form concerning her employment with [REDACTED] to the Department by February 25, 2013.
3. On April 30, 2013, the Department sent Claimant a Notice of Case Action closing her MA case effective May 1, 2013, based on her failure to provide requested information.

4. On May 7, 2013, Claimant filed a CDC application.
5. On June 4, 2013, the Department sent Claimant a Verification of Employment (VOE) for Claimant's employer's completion.
6. On June 5, 2013, the Department sent Claimant a CDC Provider Verification.
7. On June 7, Claimant submitted the completed VOE, which lacked the employer's signature.
8. On June 10, 2013, Claimant submitted a completed CDC Provider Verification, which lacked her signature.
9. On June 14, 2013, the Department sent Claimant a Notice of Case Action denying her CDC case for May 5, 2013, ongoing, approving her MA coverage subject to a \$155 monthly deductible for June 2013, and denying any MA coverage for July 1, 2013, ongoing.
10. On June 18, 2013, Claimant filed a request for hearing disputing the Department's actions concerning her MA, CDC and FAP cases.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services 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 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 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 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.

On June 18, 2013, Claimant filed a hearing request disputing the Department's denial of her MA, CDC and FAP cases.

Closure of MA and FAP Cases for Failure to Complete New Client Hire Notice

The Department failed to clearly identify its actions in this case. A review of the evidence presented shows, however, that Claimant was sent a New Client Hire Notice on February 15, 2013, requiring her to submit the completed form concerning her employment with [REDACTED] by February 25, 2013. When the Department becomes aware that a client is employed and this employment was not previously reported, the Department is required to send the client a request for verification through a New Hire Client Notice (DHS-4635). BAM 807 (April 2012), p. 1.

In this case, Claimant admitted she did not complete the New Hire form but testified that she did not receive it. Claimant verified that the copy of the form provided with the hearing packet was properly addressed to her. Her testimony that she had issues receiving mail from the Department was insufficient to rebut the presumption that she received the properly addressed Notice sent to her by the Department in the ordinary course of business from its automated central print office in Lansing. See *Good v Detroit Automobile Inter-Insurance Exchange*, 67 Mich App 270, 275-278 (1976).

If the client fails to respond to a New Hire Client Notice within ten days, the client's case will close for a minimum of thirty days after the Department takes appropriate actions in its system unless the client returns verifications. BAM 807, p. 1. Claimant acknowledged at the hearing that she did not return a completed New Hire Notice. On April 30, 2013, the Department notified Claimant that she was denied MA coverage from May 1, 2013, ongoing because she had failed to verify requested verification. Because Claimant was properly advised of the closure of her MA case, the Department acted in accordance with Department policy when it closed Claimant's MA case based on her failure to return a completed New Hire notice.

However, Claimant also testified that her FAP case closed effective May 1, 2013, but she never received any notice concerning the closure of her FAP case. While the Department testified that Claimant had a pending FAP case as of the hearing date, it could not provide any Notice of Case Action showing that Claimant was advised of her FAP case closure based on her failure to provide the completed New Hire Client Notice. Claimant was entitled to timely notice of her FAP case closure. See BAM 220 (November 2012), pp. 1-4. Thus, the Department did not act in accordance with Department policy when it failed to notify Claimant of her FAP case closure.

CDC Application

On May 7, 2013, Claimant filed a CDC application. In connection with processing the application, the Department sent Claimant a Verification of Employment (VOE) (DHS-38) concerning her employment with [REDACTED] and a CDC Provider Verification (DHS-4025). On June 14, 2013, the Department sent Claimant a Notice of Case Action denying her CDC application because she had failed to verify requested information and she lacked a need for CDC services. The Notice further explained that the CDC application was denied because the VOE was not valid and because Claimant failed to sign the DHS-4025. Department policy provides that, as a condition of CDC eligibility, both the client and the provider must sign the DHS-4025. BEM 702 (January 2011), pp. 1-2. A client must also establish a verified need for CDC benefits, and a need based on employment can be verified by a signed statement by the employer identifying the number of hours worked. BEM 704 (October 2012), p. 10. In this case, the Department established that Claimant did not sign the DHS-4025 she submitted and that the VOE was not signed by the employer. Thus, the Department acted in accordance with Department policy when it denied Claimant's CDC application.

MA Eligibility

At some point, Claimant reapplied for MA coverage. The Department presented a June 14, 2013, Notice of Case Action that showed that Claimant was eligible for MA coverage subject to a \$155 deductible for June 2013 but was denied MA coverage for July 1, 2013, ongoing because she was not under 21 or over 65, pregnant, the caretaker of a minor child, blind or disabled. A client with dependent children who live with her may be eligible for FIP-related MA coverage. BEM 132 (October 2010), p. 1; BEM 135 (January 2011), p. 1. The Department acknowledged that Claimant was the caretaker of minor children that resided in her household. Therefore, the Department did not act in accordance with Department policy when it denied Claimant ongoing MA coverage.

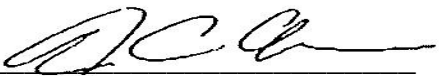
DECISION AND ORDER

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 acted in accordance with Department policy when it denied Claimant's CDC application and closed her MA case effective May 1, 2013, but did not act in accordance with Department policy when it closed Claimant's FAP case and when it denied Claimant MA coverage for July 1, 2013, ongoing.

Accordingly, the Department's decision is AFFIRMED IN PART with respect to its denial of Claimant's May 7, 2013, CDC application and May 1, 2013, closure of Claimant's MA case and is REVERSED IN PART with respect to its May 1, 2013, closure of Claimant's FAP case and denial of her July 1, 2013, ongoing MA coverage.

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 FAP case as of May 1, 2013;
2. Begin recalculating Claimant's FAP benefits for May 1, 2013, ongoing, after Claimant provides any requested verifications, if any;
3. Issue supplements to Claimant for any FAP benefits she was eligible to receive but did not from May 1, 2013, ongoing;
4. Reinstate Claimant's MA case as of July 1, 2013;
5. Begin reprocessing Claimant's eligibility for MA coverage as the caretaker of minor children;
6. Provide Claimant with any MA coverage she is eligible to receive from July 1, 2013, ongoing; and
7. 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: July 22, 2013

Date Mailed: July 22, 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 affect 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/pf

cc:

