

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

IN THE MATTER OF:

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Reg. No.: 2013-59404
Issue No.: 1005;2000;3008;6027
Case No.: ██████████
Hearing Date: August 21, 2013
County: Oakland (04)

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 21, 2013, from Detroit, Michigan. Claimant appeared and testified. Participants on behalf of the Department of Human Services (Department) included ██████████, JET Case Manager, and ██████████ Regulation Agent from the Office of Inspector General (OIG).

ISSUE

Did the Department properly process Claimant's benefits for Medical Assistance (MA); Family Independence Program (FIP); Food Assistance Program (FAP); and 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 submitted an application for MA, FIP, FAP and CDC on January 28, 2013.
2. On April 25, 2013, an administrative hearing was held with regard to the denial of Claimant's MA, FIP, FAP and CDC application.
3. The April 25, 2013 Hearing Decision found that the Department did not act in accordance with Department policy when it denied the application and ordered to initiate certain actions with respect to those applications.

4. After reprocessing, the Department denied Claimant's FIP and FAP applications for a failure to verify requested information.
5. The Department failed to comply with the April 25, 2013 Hearing Decision by not reprocessing Claimant's CDC application.
6. On July 15, 2013, Claimant filed a hearing request disputing the Department's actions.

CONCLUSIONS OF LAW

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

MA

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 hearing was requested to dispute the Department's action taken with respect to Claimant's MA benefits. Shortly after commencement of the hearing, Claimant testified that she now understood and was satisfied with the actions taken by the Department and did not wish to proceed with the hearing regarding her MA benefits. Claimant stated that she currently had active and ongoing MA benefits and that there was no longer any issue that needed to be resolved with respect to the MA program. The Request for Hearing was withdrawn. The Department agreed to the dismissal of the hearing request.

CDC

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 regarding the Department's failure to comply with a previous administrative hearing decision with respect to her CDC application.

On April 25, 2013, an administrative hearing was held with regard to the denial of Claimant's CDC application that was submitted on January 28, 2013. The April 25, 2013 Hearing Decision found that the Department did not act in accordance with Department

policy when it denied Claimant's CDC application based on a failure to verify requested information. The Department was ordered to (i) reinstate Claimant's January 28, 2013 application and initiate processing in accordance with policy; (ii) assist Claimant as needed or requested with verifications in accordance with policy; and issue supplements for any lost benefits if Claimant is otherwise eligible. (Exhibit 1, pp. 101-105).

At the August 21, 2013 hearing, the Department acknowledged that it did not comply with the April 25, 2013 Hearing Decision by reprocessing Claimant's January 28, 2013 CDC application. The Department confirmed that it did not take any action with respect to Claimant's CDC application in accordance with the prior Hearing Decision. As such, the Department did not act in accordance with Department policy when it failed to reprocess Claimant's January 28, 2013 CDC application.

FIP/FAP

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.

Additionally, verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (May 2012), p.1. To request verification of information, the Department sends a VCL which tells the client what verification is required, how to obtain it, and the due date. BAM 130, pp. 2-3. FIP and FAP clients are given 10 calendar days to provide the verifications requested by the Department. Verifications are considered to be timely if received by the date they are due. BAM 130, p.5. The Department sends a negative action notice when the client indicates a refusal to provide a verification or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 5.

At the hearing, the Department testified that in accordance with the April 25, 2013 Hearing Decision, it reregistered and reprocessed Claimant's FIP and FAP application from January 28, 2013. In processing the application, the Department testified that it requested certain verifications from Claimant regarding 25 homes and 6 businesses that the Department believed were registered to her name. On May 10, 2013, the Department sent Claimant a Quick Note informing her that she had until May 20, 2013 to submit verification of rental income; state equalized value; fair market and appraised

value; the amount owed on the properties and proof of sale or transfer of ownership. (Exhibit 1, p. 107). Claimant testified that she was given an extension until May 30, 2013 to respond to the Quick Note and the Department did not refute this testimony. On May 30, 2013 Claimant submitted to the Department various documents including quit claim deeds transferring her ownership in several properties to other individuals and business entities. These quit claim deeds, although notarized, were not recorded with the county register of deeds. Additionally, the addresses on the quit claim deeds were not clearly identifiable, so the information provided on the deeds could not be verified. (Exhibit 1, pp. 71-94).

On June 28, 2013, the Department sent Claimant a VCL requesting that she submit verifications of other rental income and home/building information such as mortgages, deeds, and property tax records, among other things. Claimant was given until July 8, 2013 to submit these documents to the Department. (Exhibit 1, pp. 1-3). Also on June 28, 2013, the Department sent Claimant a second Quick Note informing her of the specific addresses of the properties in which the Department was seeking the information, so that Claimant was aware of what properties the Department believed that she had an interest in. Claimant was given until July 9, 2013 to provide the verifications. (Exhibit 1, pp. 1-3). On July 9, 2013, Claimant submitted two receipts dated May 2013 which stated they were for the sale of a property. The address was not clearly written on either receipt and cannot properly be identified, however. Claimant also submitted a handwritten letter informing the Department that she did not own any additional properties. (Exhibit 1, pp. 95-96).

The Department testified that because the documentation provided by Claimant in response to the VCL was insufficient, on July 10, 2013, it sent Claimant a Notice of Case Action informing her that her FIP application was denied due to a failure to submit the requested verifications. (Exhibit 2).

After further review of the evidence, it is found and determined that Claimant did not provide the Department with sufficient verifications in order for the Department to properly determine her eligibility to receive FIP benefits. The quit claim deeds submitted by Claimant were lacking in identifying information and there is no way to verify their authenticity, as they were not recorded with the county register of deeds and the property addresses were not visible. Therefore, the Department did act in accordance with Department policy when it denied Claimant's FIP application.

At the hearing, the Department testified that after reprocessing Claimant's FAP application, she was approved for FAP benefits. (Exhibit 1, p. 100). The Department stated that Claimant's FAP case was closed effective July 1, 2013 due to a failure to verify requested information. The Department further testified that it was not sure whether or not Claimant was notified of the FAP case closure and a Notice of Case Action was not presented. Therefore, the Department failed to establish that it acted in accordance with Department policy when it closed Claimant's FAP case due to a failure to verify requested information, as Claimant was not provided with timely notice of the closure.

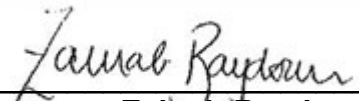
DECISION AND ORDER

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 Claimant's hearing request with respect to MA is dismissed and that the Department did act in accordance with Department policy when it denied Claimant's FIP application. Accordingly, the Department's decision with respect to FIP is AFFIRMED.

It is further found that the Department did not act in accordance with Department policy when it when it failed to reprocess Claimant's January 28, 2013 CDC application and when it closed Claimant's FAP case effective July 1, 2013. Accordingly, the Department's decisions with respect to CDC and FAP are REVERSED.

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 January 28, 2013 CDC application;
2. Begin reprocessing Claimant's application and continued eligibility for CDC benefits from the date of application ongoing in accordance with Department policy and consistent with this Hearing Decision;
3. Provide Claimant with the CDC benefits she was eligible to receive from the date of application ongoing;
4. Initiate reinstatement of Claimant's FAP case effective July 1, 2013;
5. Begin the issuance of supplements to Claimant for any FAP benefits she was entitled to receive but did not from July 1, 2013 ongoing; and
6. Notify Claimant in writing of its decision in accordance with Department policy.



Zainab Baydoun
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 30, 2013

Date Mailed: August 30, 2013

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

ZB/cl

cc: [REDACTED]
[REDACTED]
[REDACTED]
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