

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201368964  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: October 22, 2013  
County: Shiawassee

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on October 22, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED] and [REDACTED].

**ISSUE**

Whether the Department of Human Services (Department) properly closed the Claimant's Medical Assistance (M.A.) and Food Assistance Program (FAP) benefits for failure to provide the Department with information necessary to determine her eligibility to receive benefits?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. The Claimant was an ongoing Medical Assistance (M.A.) and Food Assistance Program (FAP) recipient.
2. On October 21, 2013, the Department processed the Claimant's completed Redetermination (DHS-1010).
3. On September 17, 2013, the Department sent the Claimant three Self-Employment Income and Expense Statements (DHS-431) with a due date of September 27, 2013.

4. On August 31, 2013, the Department notified the Claimant that it would close her Medical Assistance (M.A.) and Food Assistance Program (FAP) benefits for failure to provide the Department with information necessary to determine her eligibility to receive benefits.
5. The Department received the Claimant's request for a hearing on September 9, 2013, protesting the closure of her Medical Assistance (M.A.) and Food Assistance Program (FAP) benefits.

### **CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (March 1, 2013), p 5. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Department of Human Services Bridges Assistance Manual (BAM) 130 (May 1, 2012), p 1. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130. The Department uses documents, collateral contacts, or home calls to verify information. BAM 130. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. BAM 130. When documentation is not available, or clarification is needed, collateral contact may be necessary. BAM 130.

In this case, the Claimant was an ongoing Medical Assistance (M.A.) and Food Assistance Program (FAP) recipient when the Department conducted a routine redetermination of her eligibility to receive benefits. Based on the information reported on her Redetermination (DHS-1010), the Department sent the Claimant three Self-Employment Income and Expense Statements (DHS-431) and requested that they be returned by September 27, 2013.

The Claimant returned the self-employment statements but did not include any receipts showing income or expenses.

The Claimant testified that income tax returns are not available for this group member's self-employment income because of her immigration status. The Claimant testified that receipts showing income and expenses were not available.

Department policy requires that its clients provide verification of self-employment income. Verification of self-employment income can be verified from income tax return documents, or using the Department's Self-Employment Income and Expense Statement (DHS-431). Where a client submits the DHS-431 without receipts showing income and expenses, the Department is required to conduct a Front End Eligibility (FEE) investigation. Department of Human Services Bridges Eligibility Manual (BEM) 402 (July 1, 2013), p 7.

In this case, the Department requested verification of the self-employment income reported on the Redetermination (DHS-1010) form. The Claimant provided the Department with income and expenses statements using the Department's DHS-431 form, but did not include receipts of income and expenses. The Department conducted a FEE investigation, but was unable to verify the self-employment income from the investigation.

Based on the evidence and testimony available during the hearing, this Administrative Law Judge finds that the Department correctly applied its policies to the Claimant's circumstances when it closed her Medical Assistance (M.A.) and Food Assistance Program (FAP) benefits.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it closed the Claimant's Medical Assistance (M.A.) and Food Assistance Program (FAP) benefits.

Accordingly, the Department's decision is **AFFIRMED**.

/s/  
Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 10/25/2013

Date Mailed: 10/28/2013

**NOTICE OF APPEAL:** 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.

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).

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

KS/sw

cc:

