

**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.: 2013-66910
Issue Nos.: 1005, 2006, 3008
Case No.: ██████████
Hearing Date: November 6, 2013
County: Wayne (82-18)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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, an in-person hearing was held on November 6, 2013, from Taylor, Michigan. Participants on behalf of Claimant included Claimant; ██████████

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████████████████████ Participants on behalf of the Department of Human Services (Department) included ██████████
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ISSUE

Did the Department properly close Claimant's Food Assistance Program (FAP) and Family Independence Program (FIP) cases and his minor child's Medical Assistance (MA) case?

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 FIP and his child received MA under the Other Healthy Kids (OHK) program.
2. In connection with a FAP, FIP, and MA redetermination, the Department sent Claimant a Verification Checklist (VCL) on August 2, 2013, requesting verification of checking accounts for Claimant and the AHR, a member of Claimant's FAP group, by August 12, 2013.

3. On August 7, 2013, the AHR notified the Department that the financial institution indicated that it had to forward the Verification of Assets form, DHS-20, to its main office, delaying the completion of the forms.
4. On August 19, 2013, the Department received verification of the AHR's checking account and a document from the financial institution indicating that verification of Claimant's checking account could not be provided because the name and Social Security number on the DHS-20 did not match.
5. On August 29, 2013, the Department sent Claimant a Notice of Case Action, closing Claimant's FIP and FAP cases effective September 1, 2013.
6. Later on August 29, 2013, the AHR submitted a statement for Claimant's checking account.
7. On September 4, 2013, the AHR filed a request for hearing, disputing the closure of Claimant's FIP, FAP and MA cases; on September 27, 2013, Claimant submitted a handwritten document authorizing the AHR to represent him at the hearing.

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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10 and 400.57a and Mich Admin Code, R 400.3101 to .3131.

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.

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.

Additionally, in connection with an FIP, FAP and MA redetermination, the Department requested verification of checking accounts held by Claimant and by the AHR, a

member of Claimant's FAP group. Although the Department did not provide a copy of the relevant Notice of Case Action with its hearing packet, it testified that when it did not receive verification of Claimant's checking account, it sent Claimant a Notice of Case Action closing his FIP and FAP cases effective September 1, 2013.

Closure of MA Case

The Department explained that, because Claimant received SSI-related MA, the MA case subject to the redetermination was Claimant's minor child's coverage under the OHK program. OHK coverage does not require asset eligibility. BEM 131 (October 2010), p. 2. Although the Department testified that it did not believe the child's MA case had closed, it did not verify that it remained open. To the extent Claimant's child's MA case was closed, the Department did not act in accordance with Department policy.

Closure of FIP Case

The Department testified that Claimant's FIP case was closed because Claimant failed to verify his checking account. Asset eligibility must be verified at redetermination for FIP recipients with an EDG participation status of eligible or disqualified. BEM 400 (July 2013), pp. 3-4, 43. Department policy provides that an FIP EDG member who receives Supplement Security Income (SSI) benefits has an FIP EDG participation status of Other Adult or Other Child, and the income, assets and needs of an SSI recipient are **not** considered in determining eligibility for the FIP EDG. BEM 210 (January 2013), p. 6.

The evidence at the hearing established that Claimant was an SSI recipient and was receiving FIP benefits as an ineligible grantee. Because Claimant's assets would not be considered in determining the group's FIP eligibility, the Department did not act in accordance with Department policy when it closed Claimant's FIP case because he failed to verify his checking account.

Closure of FAP Case

A FAP asset group with assets, which include cash in checking accounts, valued in excess of \$5,000 is not eligible for FAP benefits. BEM 400 (July 2013), p. 4. Because Claimant is an FAP-eligible member, his assets *are* considered in determining the group's FAP eligibility. See BEM 400, p. 4; BEM 212 (November 2012), pp. 7-8; see also BEM 213 (October 2011), pp. 1-2.

The Department testified that it relied on Claimant's failure to verify his checking account to close his FAP case. Department policy requires the Department to send a Verification Checklist after the redetermination interview for any missing verifications. BAM 210 (July 2013), p. 12. When the Department requests verifications in connection with a redetermination, the client must provide the verifications by the end of the current benefit period or within ten days after they are requested, whichever allows more time. BAM 210 (July 2013), p. 12.

In this case, after it became aware of Claimant's checking account when it reviewed Claimant's redetermination, the Department sent Claimant a VCL on August 2, 2013,

requesting verification of the account. The AHR had difficulty obtaining the requested verification, but the Department testified that it received verification of Claimant's checking account responsive to the Department's request on August 29, 2013. Because the FAP certification period ended on August 31, 2013, and Claimant provided verification of his checking account before the certification period expired, the Department did not act in accordance with Department policy when it closed Claimant's FAP case for failure to verify.

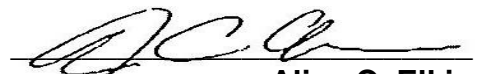
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it closed Claimant's FIP, FAP and MA cases.

DECISION AND ORDER

Accordingly, the Department's decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Claimant's FIP and FAP cases and his child's MA case as of September 1, 2013.
2. Issue supplements to Claimant for any FIP and FAP benefits he was eligible to receive but did not from September 1, 2013, ongoing;
3. Provide Claimant's child with MA coverage she was eligible to receive from September 1, 2013, ongoing.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: November 12, 2013

Date Mailed: November 13, 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

ACE/pf

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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