

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-1414  
Issue No(s): 1002, 2001, 2003, 3015, 4001  
Case No.: [REDACTED]  
Hearing Date: November 5, 2013  
County: Macomb-20

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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 November 5, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] [REDACTED] the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED] Eligibility Specialist.

**ISSUES**

- 1) Did the Department properly deny the Claimant's application for Medical Assistance (MA)?
- 2) Did the Department properly process the Claimant's application for cash assistance?
- 3) Did the Department properly deny the Claimant's application for Food Assistance Program (FAP)?

**FINDINGS OF FACT**

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

1. On September 10, 2013, the Claimant applied for Medical Assistance, SDA, and FAP.
2. The Claimant stated she was not blind or disabled and she did not have any minor children in the home on the application.
3. The Department received verifications of the Claimant's assets, which included a checking account, a savings account and a jointly owned second house.

4. On September 16, 2013, the Department issued a Notice of Case Action stating: FAP was denied because of excess assets; Medicaid was denied because the Claimant is not aged, blind, disabled, under 21, pregnant, or parent/caretaker relative of a dependent child; and eligibility was not determined for the Adult Medical Program (AMP) because the program is closed to new enrollment. (Exhibit A, pages 10-14)
5. The Department did not issue any notice to the Claimant regarding an eligibility determination for any cash assistance program.
6. On September 25, 2013, the Claimant filed a hearing request, protesting the Department's actions. (Exhibit 1)

### **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.

The Adult Medical Program (AMP) is established by 42 USC 1315 and is administered by the Department pursuant to MCL 400.10.

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-119b. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10 and Mich Admin Code, R 400.3151-3180.

Additionally, the FAP asset limit is \$5,000. Checking and savings accounts are considered cash assets. For FAP, the lowest checking, savings or money market balance in the month is to be used when determining asset eligibility. Jointly owned assets are assets that have more than one owner. An asset is unavailable if an owner cannot sell or spend his share of an asset: without another owner's consent, and the other owner is not in the asset group, and the other owner refuses consent. BEM 400

Medicaid is available to individuals over age 65, disabled, under 21, pregnant, or parent/caretaker relative of a dependent child. BEM 110, 125, 126, 135, 240, and 260.

For AMP, applications received during a freeze on AMP enrollments must be registered and are to be denied using "applicant did not meet other eligibility requirements" as the denial reason. Applicants must be informed that the reason for denial is an enrollment freeze. BEM 640

When an individual applies for cash assistance, the Department's computer system determines group composition and builds an eligibility determination group for these programs in the following order: FIP, RCA and SDA. Cash assistance is available to eligibility determination groups who meet all of the non-financial and financial requirements that are needed to determine eligibility and calculate benefit amounts. BEM 209.

The Department has a responsibility to determine eligibility and benefit amounts for all requested programs. BAM 105. For all programs, upon certification of eligibility results, Bridges automatically notifies the client in writing of positive and negative actions by generating the appropriate notice of case action. BAM 220

The Eligibility Specialist testified that the Claimant's application for MA, cash assistance and FAP was denied because the Claimant stated she was not blind or disabled, there were no minor children in the home, enrollment was frozen for AMP, the Claimant stated the second home is valued at \$ [REDACTED] and the checking account had a value of \$ [REDACTED]. The Eligibility Specialist stated the assets in excess of \$ [REDACTED] would make the Claimant ineligible for all programs the Department offers. The Eligibility Specialist was aware that the second home was jointly owned and could not be sold without the permission of others. The Eligibility Specialist stated she entered the highest and lowest values from the banking statements into the Department's computer system.

The Claimant asserts that she should not be held accountable for the second home because she has no say so over what happens with it. The Claimant also disputed the \$ [REDACTED] figure utilized for her bank account. The Claimant noted that the end of the month value for both the checking and savings accounts were far less.

The September 16, 2013, Case Action Notice indicates that the denial of the MA programs was based on the Claimant not meeting categorical eligibility criteria and the freeze of AMP enrollment. (Exhibit 1, pages 10-14) There was no evidence presented to establish that the Claimant is over age 65, disabled, under 21, pregnant, or parent/caretaker relative of a dependent child to be eligible for Medicaid. Further, enrollment for the AMP program was frozen at the time of the Claimant's MA

application. Accordingly, the Department properly denied Medicaid and AMP for the Claimant before assets were even considered for these programs.

The submitted Quitclaim Deed shows the Claimant is one of four owners of the second home. (Exhibit 1, pages 5-6) This is a jointly owned asset that the Claimant has reported cannot be sold without the other owners' consent. There is no evidence that the Department has asked the Claimant or requested verification of whether the other owners refuse consent to sell in order to determine whether this asset is available to the Claimant under the BEM 400 policy.

The Claimant's checking account verification shows a beginning balance of \$ [REDACTED] and an ending balance of \$ [REDACTED]. The Claimant's savings account had a beginning balance of \$ [REDACTED] and an ending balance of \$ [REDACTED]. (Exhibit A, pages 2-3) BEM 400 specifies that for FAP, the lowest checking and savings balance in the month when determining asset eligibility. Using the lowest balances of the month, the Claimant would not have been over the \$ [REDACTED] asset limit for FAP even if the \$ [REDACTED] for the second home was a countable asset.

Lastly, the Department failed to provide any notice to the Claimant of a determination regarding the application for cash assistance.

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 denied the Claimant's MA application.
- did not act in accordance with Department policy when it denied the Claimant's FAP application.
- failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed the Claimant's application for cash assistance.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the MA denial and **REVERSED IN PART** with respect to the processing of the cash assistance and FAP application.

- 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 and re-process the Claimant's September 10, 2013 application for FAP and cash assistance in accordance with Department policies.

*Colleen Lack*

**Colleen Lack**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: November 13, 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.

2014-1414/CL

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

CL/LAS

cc:

