

5. The earnings statements and rent receipt were not legible.
6. On August 20, 2103, the Department sent Claimant a Notice of Case Action closing her FAP case effective September 1, 2013, due to her failure to verify earned income, her account and rent; approving her son's MA coverage; and denying her MA coverage due to her failure to verify earned income and her account.
7. On October 25, 2013, Claimant filed a request for hearing disputing the Department's actions.

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 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, Claimant requested a hearing to dispute the Department's closure of her FAP case and denial of her MA application.

Closure of FAP Case

Claimant filed a FAP application on August 6, 2013, and was approved for expedited FAP benefits. FAP applicants eligible for expedited service, which provides for a shortened standard of process, must verify identity, and the Department makes a reasonable effort to verify income, assets and other eligibility factors. BAM 117 (July 2013), p. 3. FAP groups that do not provide all required verifications are not issued benefits for subsequent months until they provide the waived verification or complete a redetermination. BAM 117, p. 5. If the client fails to verify requested information by the 10th day following the request (or by the extended date, if granted), the benefit period will expire at the end of the expedited month(s) unless the verification is returned within 30 days of the date of the application and the application is subject to subsequent processing. BAM 117, p. 5.

In this case, the Department sent Claimant an August 8, 2013, VCL requesting verification of her earned income, rent and checking account. Claimant testified that she uploaded the requested verifications onto the Department's system. The Department acknowledged that it received earning statements, rent receipt and checking account statement that Claimant submitted on August 9, 2013, well before the August 19, 2013, due date, but concluded that Claimant's FAP case was properly closed because the earning statements and rent receipt were illegible.

BAM 130 (July 2013), p. 6, provides that the Department must send a negative action notice denying an FAP application when (i) the client indicates refusal to provide a verification, **or** (ii) the time period given has elapsed and the client has **not** made a reasonable effort to provide it. In this case, Claimant timely responded to the VCL with the requested documents and credibly testified that she was not aware that the documents were not legible. Although the Department testified that it had contacted Claimant prior to the date the Notice of Case Action was sent to advise her that the documents were blurry, Claimant credibly testified that she was not aware of the reason her case closed until an October 2013 prehearing conference. The fact that the Department's case comments do not reference any contact with Claimant to notify her of the condition of the submitted documents prior to the Notice being sent supports Claimant's testimony. Because Claimant made a reasonable effort to provide the verifications and the Department did not advise Claimant of the issues, even though Claimant had time to resubmit the documents before the VCL due date, the Department did not act in accordance with Department policy when it closed Claimant's FAP case for failure to verify.

Denial of MA Application

The Department also denied Claimant's MA application because the submitted verifications were illegible. BAM 130, p. 8, provides that the Department must deny an MA application when the client refuses to provide a verification or the time period given has elapsed. In this case, Claimant timely provided the requested verification and was not made aware that they were not legible. Under these circumstances, the Department did not act in accordance with Department policy when it denied Claimant's MA application.

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 FAP case and denied her MA application.

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 FAP case as of September 1, 2013;
2. Reregister Claimant's MA application effective August 6, 2013;
3. Reprocess Claimant's FAP and MA eligibility, requesting new verifications if necessary;
4. Issue supplements to Claimant for any FAP benefits she is eligible to receive but did not from September 1, 2013, ongoing;
5. Provide Claimant with any MA coverage she is eligible to receive from August 1, 2013, ongoing; and
6. Notify Claimant in writing of its decision.



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

Date Signed: December 2, 2013

Date Mailed: December 2, 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.

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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]
[REDACTED]
[REDACTED]
[REDACTED]
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