

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201313346  
Issue No.: 2018; 3006; 6019  
Case No.: [REDACTED]  
Hearing Date: January 9, 2013  
County: Wayne (35)

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**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 January 9, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED], Claimant's mother. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED], Family Independence Manager, and [REDACTED] [REDACTED], Family Independence Specialist/JET Case Manager.

**ISSUE**

Did the Department properly close Claimant's Food Assistance Program (FAP) case for failure to provide requested verifications?

Did the Department properly deny Claimant's application for Child Development and Care (CDC) and Medical Assistance (MA) benefits?

**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 benefits.
2. In connection with an October 2012 FAP redetermination, the Department sent Claimant an October 5, 2012 Verification Checklist (VCL) requesting verification of loss of employment in the form of employment records, an employer statement, or a Verification of Employment form (DHS-38).

3. The Department did not receive documentation concerning Claimant's loss of employment and closed Claimant's FAP case effective November 1, 2012.
4. In October 2012, Claimant filed an application for MA and CDC benefits.
5. On October 10, 2012, the Department denied Claimant's MA and CDC application.
6. On November 20, 2012, the Department gave Claimant another Verification of Employment form to allow her to establish her loss of employment, but the documentation returned to the Department was not responsive.
7. On November 19, 2012, 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), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

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.

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

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3151 through R 400.3180.

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.

#### Closure of FAP Case

For FAP cases, the Department must verify income that decreases or stops. BEM 500 (October 1, 2012), p 9; BEM 501 (July 1, 2012), p 7. The Department must also verify income at redetermination when change information is unclear, inconsistent or questionable. BEM 505 (October 1, 2012), p 11. If verification is required or deemed necessary, the Department must advise the client what verification is required, how to obtain it, and the due date. BAM 130 (May 1, 2012), p 2. The Department must allow the household ten days from the date the change is reported or the date verification is requested to provide verification. BEM 505 .

In this case, in connection with Claimant's FAP redetermination and Claimant's statements that her employment with ██████████ had ended in April 2012, a loss of employment Claimant had not previously verified, the Department sent Claimant a Verification Checklist (VCL) on October 5, 2012, requesting verification of loss of employment through employment records, an employer statement, or a verification of employment (DHS 38). The verification was due October 15, 2012. The Department credibly testified that it did not receive the requested verification. When Claimant advised the Department that she had submitted the verification and had a copy of it, the Department gave her another opportunity to submit it. However, the Department credibly testified that the only documents received from Claimant were Claimant's paystubs for ██████████ from November 2011 and December 2011. Because Claimant failed to provide the requested verification, the Department acted in accordance with Department policy when it closed Claimant's FAP case. BAM 130, p 5.

#### Denial of CDC and MA Application

After the hearing had proceeded a while, Claimant also raised the issue that her CDC and MA application was denied. Although the Department contended that Claimant had not raised the issue in her Request for Hearing, a review of the Request for Hearing showed that Claimant had not identified the programs for which she had requested the hearing. However, the Request of Hearing referenced a Notice of Case Action date of October 10, 2012. The Department testified that the Notice of Case Action issued that

date denied Claimant's CDC and MA application. Thus, Claimant preserved the issue of the MA and CDC application denial.

At the hearing, the Department contended that Claimant's failure to verify her stopped income supported its denial of the CDC and MA application. However, if a client applies for benefits more than 30 days after her employment ended, the client is not required to verify the stopped income. BEM 505, p 11. Because the evidence established that Claimant's employment stopped in April 2012, the Department did not act in accordance with Department policy to the extent it denied the October 2012 application on the basis of failure to verify stopped income. The Department failed to present any further evidence concerning the basis for denying Claimant's MA and CDC application. Claimant acknowledged that she was subsequently approved for MA and her concern was a notice she received after her November 19, 2012 Request for Hearing that the Department intended to close her MA case. Claimant was advised that she had to file a separate hearing request to address that matter. While the denial of Claimant's October 2012 MA application was addressed by the Department when it approved a subsequent application, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Claimant's CDC application.

### **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 the Department

did act properly when it closed Claimant's FAP case and approved Claimant's subsequent MA application.

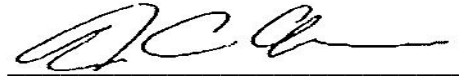
did not act properly when it denied Claimant's CDC application.

Accordingly, for the reasons stated on the record and above, the Department's decision is  AFFIRMED  REVERSED  AFFIRMED IN PART with respect to closing Claimant's FAP case and providing MA coverage AND REVERSED IN PART with respect to denying Claimant's CDC application.

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 October 2012 CDC application;
2. Begin reprocessing the application in accordance with Department policy;
3. Issue supplements for CDC benefits Claimant was eligible to receive but did not in accordance with Department policy based on the October 2012 application date;

4. Notify Claimant in writing of its decision in accordance with Department policy.



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

Date Signed: January 14, 2013

Date Mailed: January 14, 2013

**NOTICE:** 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 was made, within 30 days of the receipt date of the rehearing decision.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at  
Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

ACE/cl

cc:

