

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

**IN THE MATTER OF:**



Reg. No.: 201332856  
Issue No.: 6021  
Case No.: [REDACTED]  
Hearing Date: June 12, 2013  
County: Wayne County (#31)

**ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE**

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's February 21, 2013 request for a hearing. After due notice, a telephone hearing was conducted on Wednesday June 12, 2013 from Detroit, Michigan. The Claimant appeared and testified. Participant on behalf of Department of Human Services (Department) was [REDACTED] (Family Independence Manager).

**ISSUE**

Whether the Department properly denied payment of the Claimant's Child Developmental Care (CDC) 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. The Claimant is an ongoing CDC recipient.
2. On September 18, 2012, the Claimant notified the Department of a change in CDC providers to begin September 24, 2012; and provided requested verification.
3. The Department did not process the CDC provider change for Claimant until November 2012 to begin November 18, 2012.

4. The former CDC provider continued to receive payment from the Department for care hours for the Claimant's child.
5. The Department did not pay the current CDC provider payments for all hours billed, because the former CDC provider continued to receive payment from the Department for care of Claimant's child between September 24, 2012 through November 17, 2012.
6. On February 21, 2013, the Department received the Claimant's written hearing request concerning the denial of CDC payment to the current provider.

### **CONCLUSIONS OF LAW**

The Department of Human Services (DHS) policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

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.

In this case, the evidence does not support a finding that the Department acted properly when it denied the Claimant's CDC payments to the current provider. The Department has the burden of establishing by a preponderance of the evidence that it acted in accordance with policy in any action taken that negatively affects a client. On this record, the Department did not meet its burden. Claimant's testimony that she properly notified the Department of the change in CDC providers on September 18, 2012 to being September 24, 2012 was not refuted. Evidence shows the Department did not act upon that change until November 2012, which resulted in the former CDC provider receiving improper CDC payments to care for Claimant's child from September 24, 2012 through November 17, 2012. The Department was required to act upon the reported provider change within 10 days of receiving notice. The change was to affect the first day of the CDC pay period that contained the positive action date. Here, this was not done. The Department did not establish by a preponderance of the evidence that it acted in accordance with policy with regard to the CDC payments.

In addition, policy provides that when a potential over issuance is discovered the Department is to determine if it is caused by department, provider or client actions. It is to refer most client or CDC provider errors to Recoupment Specialist (RS) within 60 days. The RS will further investigate the matter and take appropriate action that may include recoupment or referral to Office of Inspector General (OIG) for an Intentional

Program Violation (IPV). BAM 715 (February 2013), p. 2. Nothing in the record indicates that this was done; but rather the Department stated in the hearing summary the Claimant would need to take legal action against the former CDC provider to resolve her bill with the current CDC provider.

Accordingly, the Department action is not UPHELD.

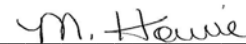
**DECISION AND ORDER**

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 not establish it acted in accordance with policy regarding the processing of Claimant's CDC change and provider payments.

Accordingly, the Department's CDC determination is hereby, **REVERSED**.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall process payment for Claimant's correct CDC provider to begin the first date of the effective change (September 24, 2012) if Claimant was otherwise eligible and qualified in accordance with department policy.
2. The Department shall determine any potential over issuance of CDC benefits and take appropriate action in accordance with policy.
3. The Department shall notify Claimant in writing of the action taken in regards to the CDC provider payments.



**Michelle Howie**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 6/20/2013

Date Mailed: 6/20/2013

**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

MH/hw

cc:

