

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201334927
Issue No.: 3008, 2006
Case No.: [REDACTED]
Hearing Date: April 15, 2013
County: Wayne DHS (18)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 April 15, 2013, from Detroit, Michigan. Participants included the above-named claimant. [REDACTED] testified on behalf of Claimant. Participants on behalf of Department of Human Services (DHS) included Ken Swiatkowski, Manager.

ISSUE

The issue is whether DHS properly terminated Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) benefit eligibility due to a failure to verify rental income.

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 FAP and MA benefit recipient.
2. Claimant received an ongoing rental income from a person living with Claimant.
3. Claimant did not report the rental income to DHS.
4. On an unspecified date, an anonymous person reported to DHS that Claimant received unreported rental income.

5. During a subsequent investigation, Claimant informed DHS that she received rental income.
6. On 11/27/12, DHS mailed Claimant a Verification Checklist (VCL) requesting proof of various items, including unreported rental income.
7. The VCL due date was 12/15/12.
8. On 1/15/13, DHS mailed Claimant a VCL requesting “unearned income” (see Exhibit 1).
9. The VCL due date was 1/25/13.
10. Claimant never submitted verification of the rental income to DHS
11. On 1/31/13, DHS initiated termination of Claimant’s FAP benefit eligibility, effective 3/2013, and MA benefit eligibility, effective 2/2013.
12. On 3/11/13, Claimant requested a hearing to dispute the benefit terminations.

CONCLUSIONS OF LAW

The Food Assistance Program (formerly known as the Food Stamp 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). DHS administers the FAP pursuant to Michigan Compiled Laws 400.10, *et seq.*, and Michigan Administrative Code R 400.3001-3015. DHS regulations are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). DHS administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Prior to a substantive analysis, it should be noted that Claimant’s hearing request noted that she had a hearing problem which requires special accommodations for the administrative hearing. Shortly after going on the record, Claimant stated that she heard all of the conversation up to that point and that she needed no accommodations. Claimant was advised that she could interject whenever she could not hear any statements during the hearing.

The present case concerns a termination of FAP and MA benefits. It was not disputed that the terminations occurred due to an alleged failure by Claimant to verify rental

income. The income is relevant to FAP and MA benefit eligibility. This justified a DHS request to verify the income.

DHS is to use the DHS-3503, Verification Checklist to request verification. BAM 130 (5/2012), p. 3. DHS must give clients at least ten days to submit verifications. *Id.* DHS must tell the client what verification is required, how to obtain it, and the due date. *Id.* at 2. For FAP benefits, DHS is to send a negative action notice when:

- the client indicates refusal to provide a verification, or
- the time period given has elapsed and the client has not made a reasonable effort to provide it. (*Id.*, p. 5.)

Claimant noted that she cooperated with the investigation concerning the rental income and that the allegation was made by a disgruntled former tenant. Claimant also noted that previously received rental income was not nearly as much as DHS alleged because the disgruntled tenant rarely paid her rent. Claimant's statements may all be true, but they do not address her failure to verify ongoing rental income from a different tenant. DHS twice requested income information from Claimant, both times without response from Claimant. The failure by Claimant to verify the income properly resulted in FAP and MA benefit termination. As noted at the hearing, Claimant may reapply for FAP and MA benefits at any time.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's MA and FAP benefit eligibility, effective 2/2013 and 3/2013 respectively. The actions taken by DHS are AFFIRMED.



Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 4/23/2013

Date Mailed: 4/23/2013

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

CG/hw

cc:

