

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

IN THE MATTER OF:



Reg. No.: 2013-51629
Issue No.: 2006, 3008
Case No.: [REDACTED]
Hearing Date: July 3, 2013
County: Macomb (50-20)

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 July 3, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUE

Did the Department properly close Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) cases?

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 MA and FAP.
2. On May 30, 2013, the Department sent Claimant a Notice of Case Action notifying her that, effective July 1, 2013, Claimant's MA and FAP cases would close due to her failure to submit a completed New Hire Client Notice.
3. On June 7, 2013, Claimant filed a hearing request, protesting the closure of the cases.

CONCLUSIONS OF LAW

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

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 1999 AC, R 400.3001 through Rule 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.

Additionally, the Department sent Claimant a May 30, 2013, Notice of Case Act notifying her that, effective July 1, 2013, her FAP case and the MA cases for her and her husband would close because she had failed to verify requested information. At the hearing, the Department explained that the closure was due to Claimant's failure to timely return a completed New Hire Client Notice concerning her husband's employment sent to her on May 17, 2013, and due by May 28, 2013.

New Hires is the Department's daily data exchange with Michigan Department of Treasury that gives the Department access to new employees reported by employers to the Treasury. BAM 807 (April 2012), p. 1. The New Hires process matches the Social Security Number (SSN) for all active benefit recipients to the database, and if a SSN match is found, a New Hires match is created if there is no earned income reflected in the Department's system for that recipient. BAM 807, p. 1. When the Department becomes aware that a client is employed and the client has not previously reported the employment, the Department is required to send the client a request for verification through a New Hire Client Notice (DHS-4635). BAM 807, p. 1. The client has ten days to respond. BAM 807, p. 1. If the client fails to respond within ten days, the client's case will close for a minimum of thirty days after the Department takes appropriate actions in its system. BAM 807, p. 1. If the client applies for assistance within thirty days of case closure, she must return the new hire verifications before the application can be processed and the case is opened from the date that verifications are provided. BAM 807. If the client applies for assistance more than 30 days after the closure and is eligible for benefits, the case is reopened from the date of the new application. BAM 807.

At the hearing, Claimant testified that she returned the New Hire Client Notice completed by her husband's employer on the May 28, 2013, due date and signed the log-in sheet evidencing that she timely submitted the document. The Department testified based on the hearing summary prepared in connection with Claimant's request for hearing that Claimant came to the local office on May 28, 2013, and spoke to her worker but, because she did not have a completed New Hire form or paystubs, she took back the form and never returned it. Claimant denied speaking to her worker on May 28, and testified that she submitted the form, completed by the employer, that day. The Department worker at the hearing was not Claimant's worker and relied on the

information on the hearing summary to establish the Department's case that Claimant did not submit a New Hire form. However, the hearing summary was prepared by a worker different than the one who claimed to have spoken to Claimant, and there was no evidence to establish how the New Hire form was insufficient or what paystubs were missing. Because of these deficiencies, the Department failed to counter Claimant's testimony that she submitted a completed New Hire form. Thus, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Claimant's FAP and MA cases for Claimant and her husband.

At the hearing, Claimant also expressed a concern that MA coverage for her son, Clinton, had closed. Claimant testified that Clinton was 19 years old. Because he was over 18 years old, Claimant's son was no longer eligible for MA under Claimant's case. See BEM 132 (June 2013), pp. 1-2; BEM 131 (October 2010), p. 1. Thus, the Department acted in accordance with Department policy when it closed Claimant's son's MA coverage under Claimant's case. The Department advised Claimant that, because he was under 21, her son would be eligible for MA on his own case. See BEM 132 (June 2013), pp. 1-2.

DECISION AND ORDER

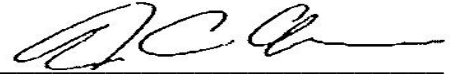
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department did not act in accordance with Department policy when it closed Claimant's FAP case and MA cases for Claimant and her husband.

Accordingly, the Department's FAP and MA decision is REVERSED.

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

1. Reinstate Claimant's FAP case and MA cases for her and her husband effective July 1, 2013;
2. Begin processing Claimant's FAP and MA eligibility and benefit amount in accordance with Department policy, provided that Claimant provides any verifications the Department requests;
3. Issue supplements to Claimant for any FAP benefits she was eligible to receive but did not from July 1, 2013, ongoing;
4. Provide Claimant and her husband with any MA coverage they are eligible to receive from July 1, 2013, ongoing; and

5. 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: July 9, 2013

Date Mailed: July 10, 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/pf

cc:

