

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

IN THE MATTER OF:



Reg. No.: 2014-15064
Issue No(s): 2002, 3001, 6001
Case No.: [REDACTED]
Hearing Date: January 8, 2014
County: Washtenaw County DHS

ADMINISTRATIVE LAW JUDGE: Colleen Lack

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on January 8, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] [REDACTED] the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED] Assistance Payments Supervisor.

ISSUES

Did the Department properly deny the Claimant's Medical Assistance (MA) application based on a failure to comply with verification requirements?

Did the Department properly deny the Claimant's Food Assistance Program (FAP) and Child Development and Care (CDC) applications based on income in excess of program limits?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On October 28, 2013, the Claimant applied for multiple programs, including MA, FAP and CDC.
2. On October 31, 2013, a Verification Check list was issued stating what verifications were needed by the November 12, 2013 due date.

3. On October 31, 2013, a Notice of Case Action¹ was issued to the Claimant stating, in part, CDC was denied based on income in excess of program limits.
4. On November 5, 2013, the Department received a completed Verification of Employment form.
5. On November 7, 2013, a Notice of Case Action² was issued stating, in part, the FAP application was denied based on income in excess of program limits.
6. On November 14, 2013, a Notice of Case Action was issued stating Medicaid was denied based on a failure to verify banking accounts.
7. On November 20, 2013, the Claimant filed a request for hearing contesting the Department's actions regarding Medicaid, FAP and CDC.

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 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.

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 Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 t o 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-

¹ The October 31, 2013 Notice of Case Action also stated Medicaid was denied based on excess income. It is noted that at that time, verifications, including proof of wages, had just been requested. It appears that the Department re-processed the Claimant's Medicaid application as a subsequent denial was issued on November 14, 2013. Accordingly, there is no need to review the October 31, 2013 Medicaid determination.

² The November 7, 2013 Notice of Case Action also stated Medicaid was denied based on excess income. It appears that the Department again re-processed the Medicaid application as a subsequent denial was issued on November 14, 2013. Accordingly, there is no need to review the November 7, 2013 Medicaid determination.

193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

Medicaid

A Claimant must cooperate with the local office in determining initial and ongoing eligibility, including completion of necessary forms, and must completely and truthfully answer all questions on forms and in interviews. BAM 105.

Verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level. Verifications are considered timely if received by the date they are due. The Department must allow a client 10 calendar days (or other time limit specified in policy) to provide the requested verification. The Department worker must tell the client what verification is required, how to obtain it, and the due date. The client must obtain required verification, but the Department must assist if the client needs and requests help. If neither the client nor the Department can obtain verification despite a reasonable effort, the Department worker should use the best available information. If no evidence is available, the Department worker is to use their best judgment. For MA, if the client cannot provide the verification despite a reasonable effort, the time limit can be extended up to three times. BAM 130.

On October 31, 2013, a Verification Checklist was issued stating what verifications were needed by the November 12, 2013 due date. The Department requested verification of banking accounts, earnings, and shelter expense. (Exhibit A, pages 6-7) On November 5, 2013, the Department received a completed Verification of Employment form. (Exhibit A, pages 8-9) The Assistance Payments Supervisor testified that the case comments state that the Claimant failed to provide verification of assets, i.e. the banking accounts.

The Claimant testified she mailed the requested verifications to the Department before the November 12, 2013 due date, except for verification of rent. The Claimant believes she mailed the other verifications on November 9th or 10th.

The evidence is not sufficient to find that the Claimant submitted all requested verifications to the Department by the November 12, 2013 due date. The Department documented that the asset verifications were not received. Further, the Claimant's testimony indicated she did not provide the verification of rent by the due date. There was no evidence that the Claimant requested assistance with obtaining the verifications or an extension of the due date. Accordingly, the denial of the Claimant's Medicaid application due to a failure to comply with verification requirements must be upheld.

FAP and CDC

Stable and fluctuating income that is received more often than monthly is converted to a standard monthly amount. BEM 505.

For CDC, if the program group does not qualify for one of the categorically eligible groups, the Department must determine eligibility for the income-eligible group. The program group's countable income is tested against the Child Development and Care Income Eligibility Scale found in RFT 270. BEM 703. For a group of three, there is no DHS assistance if gross monthly income is over \$1,990. RFT 270.

For FAP, a non-categorically eligible non-Senior/Disabled/Veteran (non-SDV) FAP group must have income below the gross and net income limits. BEM 550. For a group size of three, the FAP gross income limit is \$2,116 and the net income limit is \$1,628. RFT 250.

It appears that based on the information provided on the October 28, 2013 application, the Claimant's CDC group had countable gross monthly income of \$2,763.79. (Exhibit A, page 21) This exceeded the CDC gross monthly income program limit of \$2,116 for a group size of three. It appears that the Department erred by making the CDC eligibility determination based on income before waiting for the requested verification of income to be submitted by the November 12, 2013 due date listed on the Verification Checklist. (Exhibit A, pages 22 -23) However, it appears that when the Verification of Employment was received, the monthly income was actually even higher. (Exhibit A, pages 8-9) While the Department should have waited for the requested income verification before determining eligibility for CDC, it does not appear that it would have changed the outcome in this case.

For FAP, the Department utilized the income from the Verification of Employment form to determine eligibility. The FAP group's total countable monthly gross income was \$[REDACTED]. This exceeded the FAP program limit for gross monthly of \$[REDACTED] for a group size of three. The Claimant testified that the income at that time was higher because of overtime, which is not always available. However, the Department properly considered the current income in determining eligibility.

The evidence does not establish that the Claimant's CDC and FAP groups had gross monthly income below the program limits. If she has not already done so, the Claimant may wish to re-apply and provide current verification of income.

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 acted in accordance with Department policy when it denied the Claimant's application for Medicaid based on failure to comply with verification requirements and when it denied the Claimant's FAP and CDC applications based on income in excess of program limits.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

/s/ _____
Colleen Lack
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: January 14, 2014

Date Mailed: January 15, 2014

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.

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

CL/hj

cc:

