

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2014-5179
Issue No.: 2001; 2002; 3002
Case No.: [REDACTED]
Hearing Date: December 19, 2013
County: Wayne (17)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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, an in-person hearing was held on December 19, 2013, from Detroit, Michigan. Participants included the above-named Claimant. [REDACTED] appeared as Claimant's authorized hearing representative. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Medical Contact Worker.

ISSUES

The first issue is whether DHS properly denied Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) application due to Claimant's failure to timely return documentation.

The second issue is whether DHS properly denied Claimant's MA benefit request for her adult daughter because Claimant applied for MA benefits on the same application.

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 [REDACTED]/13, Claimant applied for FAP and MA benefits for herself and her 19-year-old daughter.

2. On [REDACTED]/13, DHS mailed Claimant a Verification Checklist (VCL) requesting proof of Claimant's employment income and various documents related to a claim of disability.
3. The (VCL) due date was [REDACTED] 13.
4. On [REDACTED]/13, Claimant submitted to DHS proof of her employment income and requested medical documents.
5. On an unspecified date, DHS denied Claimant's FAP and MA eligibility due to a failure to verify income; DHS denied Claimant's MA eligibility for the additional reason that Claimant failed to timely submit various medical documents.
6. On [REDACTED]/13, DHS terminated Claimant's daughter's MA eligibility for the reasons that Claimant failed to verify information and/or that Claimant's daughter failed to meet any eligible Medicaid category.
7. On [REDACTED]/13, Claimant requested a hearing to dispute the denial of FAP and MA benefits and the termination of her daughter's Medicaid eligibility.

CONCLUSIONS OF LAW

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

Claimant requested a hearing, in part, to dispute the denial of a FAP benefit application. DHS did not present a Notice of Case Action to verify the basis for denial. DHS stated that the reason for denial was an alleged Claimant failure to verify income.

It was not disputed that DHS mailed Claimant a VCL giving Claimant until 8/5/13 to verify employment income. Prior to the hearing, DHS contended that Claimant failed to timely return proof of employment income.

For all programs, DHS is to use the DHS-3503, Verification Checklist to request verification. BAM 130 (7/2013), pp. 2-3. DHS must give clients at least ten days to submit verifications. *Id.*, p. 3 DHS must tell the client what verification is required, how to obtain it, and the due date. *Id.*, p. 2.

DHS conceded that Claimant submitted proof of employment income on 8/5/13. DHS also conceded that the FAP benefit denial was improper. It is found that DHS improperly denied Claimant's FAP benefit application.

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. Department policies are contained in the Department of Human Services Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Claimant also requested a hearing, in part, to dispute a denial of MA benefits. Again, DHS did not present a Notice of Case Action to verify the basis for denial. DHS presented testimony that Claimant's MA application was denied due to a failure by Claimant to submit various medical documents related to a claim of disability.

As in the FAP benefit analysis, DHS initially contended that Claimant failed to comply with a due date of [REDACTED]/13. Again, DHS conceded that Claimant complied with the VCL due date and that the MA denial was improper. It is found that DHS improperly denied Claimant's MA benefit application.

Claimant also requested a hearing to dispute a termination of her 19-year-old daughter's Medicaid eligibility. DHS provided a Notice of Case Action. One of the reasons for termination was an unspecified failure to verify information. DHS could not state whether a VCL was mailed to Claimant or what information was needed. Due to a lack of evidence, it can only be found that DHS had no basis to terminate Claimant's daughter's MA eligibility.

DHS attempted to justify the MA termination for an alternative reason. DHS also alleged that Claimant's daughter met none of the eligible Medicaid categories, including the Medicaid category for persons under 21 years of age.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 (10/2010), p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.*

It was not disputed that Claimant's daughter was under 21 years old at the time of Medicaid termination. Accordingly, Claimant's daughter is potentially eligible for Medicaid. It is found that DHS erred in terminating Claimant's daughter's Medicaid eligibility.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application for FAP and MA benefits. It is further found that DHS improperly terminated Claimant's daughter's Medicaid eligibility. It is ordered that DHS perform the following actions:

- (1) DHS shall reregister Claimant's MA and FAP application dated [REDACTED]/13 and process the application subject to the findings that Claimant timely verified employment income and proof of disability;
- (2) DHS shall reinstate Claimant's daughter's Medicaid eligibility, effective 11/2013, and process ongoing eligibility subject to the following findings:
 - a. Claimant did not fail to verify information; and
 - b. Claimant's daughter is potentially eligible for Medicaid as an individual under 21 years old; and
- (3) initiate a supplement of any benefits improperly not issued.

The actions taken by DHS are **REVERSED**.



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

Date Signed: 12/26/2013

Date Mailed: 12/26/2013

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

CG/hw

cc:

