

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-22729  
Issue No(s): 2002, 3002  
Case No.: [REDACTED]  
Hearing Date: February 12, 2014  
County: Montcalm

**ADMINISTRATIVE LAW JUDGE:** Darryl T. Johnson

**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 February 12, 2014, from Lansing, Michigan. Participants on behalf of Claimant included the Claimant [REDACTED] and his fiancé, [REDACTED]. Participants on behalf of the Department of Human Services (Department) included Family Independence Specialist [REDACTED].

**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) benefits and deny his application for Food Assistance Program (FAP) 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. Claimant was an on-going recipient of MA benefits through the Medicare Savings and Medicaid Programs.
2. On November 18, 2013, Claimant applied for FAP and disclosed that he has an account with [REDACTED] in which his Social Security checks are deposited each month.
3. On November 25, 2013, the Department issued a Verification Checklist (Exhibit 1 Pages 4-5) requiring Claimant to provide a current rent receipt, and a current statement from his bank. His responses were due by December 5, 2013.
4. On December 11, 2013 Claimant provided verification of his rent, and a printed statement from an ATM (Exhibit 1 Page 6) showing only that he had a credit balance in his [REDACTED] account as of that date but not the actual account balance.

5. Claimant's case worker called him to explain that the ATM statement was insufficient to verify his bank balance. Claimant became upset and said he was going to call the case worker's supervisor.
6. On December 17, 2013, the Department mailed a Notice of Case Action (Exhibit a Pages 8-11) informing Claimant his Medicare Savings Program and Medicaid Program benefits would be closed beginning January 1, 2014, and that his FAP application was denied, because he failed to provide the requisite verification and left the Department unable to determine his eligibility.
7. On January 13, 2014, Claimant requested a hearing.
8. Claimant stated during the hearing that he is satisfied with the Department's action relative to his FAP and he is no longer contesting that issue.

### **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 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 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.

A Claimant is expected to provide verification of income and expenses. As stated in BAM 210, page 9, "A report is considered complete when all of the sections (including the signature section) on the DHS-1046 and the DHS 2240-A are answered completely and required verifications are returned by the client or client's authorized representative. If an expense has changed and the client does not return proof of the expense, but all of the sections on the report are answered completely, remove the expense from the appropriate data collection screen in Bridges before running eligibility determination and benefit calculation (EDBC)."

The Department testified convincingly that the Claimant did not fully respond to the verification request.

The applicant is allowed 10 days to submit verification. BAM 130, page 5. At page 6, it says:

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email or Mi Bridges document upload), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day.  
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.

The issue is whether the Claimant provided timely verification in response to the request, or at least made a reasonable effort to provide it. The evidence is persuasive that the request for verification was mailed to the Claimant at his address of record. The evidence also establishes that, while the Claimant did not respond timely, he responded before the Department took negative action. He printed out a slip from the ATM which, unfortunately, showed just that he had a credit balance instead of verifying the actual balance. When he submitted it to the Department he was told that it was insufficient, but he was not given an opportunity to provide something acceptable to the Department. It is worth noting that Claimant was later able, with the assistance of his case worker, to have the Department verify his account balance over the telephone.

Claimant was denied FAP benefits, and his MA benefits closed, because he did not verify his bank account. The Claimant should have been given a reasonable opportunity to supplement his responses.

Because the Claimant is not contesting the Department's action with respect to his FAP, the Department's action on his FAP is upheld.

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 did not act in accordance with Department policy when it closed his MA benefits.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the denial of Claimant's FAP application, and **REVERSED IN PART** with respect to the closing of Claimant's MA benefits.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS

HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Claimant's MA benefit eligibility, effective January 1, 2014.
2. To the extent required by policy, provide Claimant with retroactive and supplemental MA benefits



**Darryl T. Johnson**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: February 13, 2014

Date Mailed: February 13, 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.

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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

DTJ/las

cc:

