

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

**IN THE MATTER OF:**

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████████████████████  
████████████████████

Reg. No.: 2014-24321  
Issue No(s): 2001;3001  
Case No.: ██████████  
Hearing Date: February 26, 2014  
County: Wayne (17)

**ADMINISTRATIVE LAW JUDGE:** Zainab Baydoun

**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 26, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ Eligibility Specialist.

**ISSUE**

Did the Department properly deny Claimant's application for Food Assistance Program (FAP) and Medical Assistance (MA) 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. On or about January 6, 2014, Claimant submitted an application for FAP and MA benefits.
2. On January 8, 2014, the Department sent Claimant a Notice of Case Action informing her that her FAP application had been denied on the basis that she had excess income. (Exhibit 5)
3. On January 8, 2014, the Department sent Claimant a Verification Checklist (VCL) with respect to her MA application requesting that she submit proof of her wages by January 21, 2014. (Exhibit 2)

4. On January 23, 2014, the Department sent Claimant a Notice of Case Action informing her that for the period March 1, 2014, ongoing, her MA application was denied on the basis that verification of earned income payment was not returned and that the deductible has not been met in at least one of the last three months. (Exhibit 6)
5. On January 27, 2014, Claimant submitted a hearing request disputing the Department's actions.

### **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).

#### **FAP**

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.

In this case, on or about January 6, 2014, Claimant submitted a FAP application for herself. The Department testified that Claimant's application was denied on the basis that her income exceeded the limit for FAP purposes.

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (January 2014). The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. BEM 505 (July 2013), p. 1

At the hearing, the Department testified that it relied on information retrieved from a consolidated inquiry to establish that Claimant had earned income from the fourth quarter of 2013. (Exhibit 1). Although the consolidated inquiry is an appropriate verification source as indicated in BEM 500, because Claimant did not list any income on her application and informed the Department that she had lost her job and was no longer employed, the Department should have allowed Claimant the opportunity to resolve the discrepancy between the information on the consolidated inquiry and the information on Claimant's application by sending her a VCL, as required under BAM 130. BAM 130 (July 2013), p. 7. The Department should have requested verifications from Claimant with respect to her income and her loss of employment, prior to denying her application for excess income. Therefore, the Department has failed to satisfy its burden of establishing that it acted in accordance with Department policy when it denied Claimant's FAP application.

**MA**

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.

Additionally, verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130, p.1. To request verification of information, the Department sends a verification checklist which tells the client what verification is required, how to obtain it, and the due date. BAM 130, pp. 2-3. Although the client must obtain the required verification, the Department must assist if a client needs and requests help. If neither the client nor the Department can obtain the verification despite a reasonable effort, the Department is to use the best available information; and if no evidence is available, the Department is to use its best judgment. BAM 130, p. 3.

With respect to MA cases, clients are given 10 calendar days to provide the verifications requested by the Department. BAM 130, p.6. If the client cannot provide the verification despite a reasonable effort, the Department is to extend the time limit to submit the verifications up to three times. BAM 130, p. 6. Verifications are considered to be timely if received by the date they are due. BAM 130, p.46 The Department will send a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, p. 7.

In this case, in connection with her MA application, the Department sent Claimant a VCL instructing her to submit verification of her wages for the past 30 days to the Department by January 21, 2014. (Exhibit 2). The Department stated that because Claimant submitted a duplicate copy of only one paystub, it sent Claimant a Quick Note informing her that her application would be denied if additional pay stubs were not provided to the Department by January 27, 2014. (Exhibits 3 and 4). On January 23, 2014, the Department sent Claimant a Notice of Case Action informing her that her MA application had been denied on the basis that verification of earned income payment was not returned and that the deductible has not been met in at least one of the last three months. (Exhibit 6). The Department remained unable to explain why Claimant's application had been denied for not meeting the deductible for three months, so any denial on this basis is not proper.

At the hearing, Claimant confirmed that she received the VCL and stated that she timely submitted all of the requested verifications. Claimant testified that she dropped off four paystubs to the Department prior to the due date. The duplicate paystubs that were received by the Department are date stamped January 21, 2014. (Exhibit 3). Claimant stated that after receiving the Quick Note from the Department, she electronically uploaded the four paystubs to her online account and included verification of her loss of employment, although it was never requested from her. Claimant provided for review the four paystubs that she indicated were submitted in person and online. (Exhibit A).

The Department later acknowledged that four paystubs were on file for Claimant's application.

Under the facts in this case, Claimant timely responded to the VCL and did not indicate a refusal to provide the requested information. Further, if the client cannot provide the verifications despite a reasonable effort, the Department is to extend the time limit up to three times or use the best available information, which it failed to do in this case. BAM 130, pp. 3, 5.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Claimant's MA application.

### **DECISION AND ORDER**

Accordingly, the Department's FAP and MA decisions are REVERSED.

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. Register and process Claimant's FAP and MA application;
2. Issue supplements to Claimant for any FAP and MA benefits that she was entitled to receive but did not from the application date, ongoing; and
3. Notify Claimant of its decision in writing.



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**Zainab Baydoun**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 3, 2014

Date Mailed: March 4, 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

ZB/tm

cc: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]