

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

**IN THE MATTER OF:**

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

Reg. No.: 2014-26507  
Issue No(s): 6001; 2004  
Case No.: ██████████  
Hearing Date: April 2, 2014  
County: Wayne (57)

**ADMINISTRATIVE LAW JUDGE:** Robert J. Chavez

**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 April 2, 2014, from Detroit, Michigan. Participants on behalf of Claimant included ██████████. Participants on behalf of the Department of Human Services (Department) included ██████████, APS, and ██████████, ES.

**ISSUE**

Due to excess income, did the Department properly  deny the Claimant's application  close Claimant's case  reduce Claimant's benefits for:

- |  |   |
|--|---|
| <input type="checkbox"/> Family Independence Program (FIP)?  | <input type="checkbox"/> Adult Medical Assistance (AMP)?              |
| <input type="checkbox"/> Food Assistance Program (FAP)?      | <input type="checkbox"/> State Disability Assistance (SDA)?           |
| <input checked="" type="checkbox"/> Medical Assistance (MA)? | <input checked="" type="checkbox"/> Child Development and Care (CDC)? |

**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  applied for  received:  
 FIP  FAP  MA  AMP  SDA  CDC benefits.
2. On January 24, 2014, the Department  denied Claimant's application  closed Claimant's case  reduced Claimant's benefits due to excess income.

3. On January 24, 2014, the Department sent Claimant/Claimant's Authorized Representative (AR) its decision.
4. On February 3, 2014, Claimant/Claimant's Authorized Hearing Representative (AHR) filed a hearing request, protesting 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), and Department of Human Services Reference Tables Manual (RFT).

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 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 to 9858q; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. 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.

Claimant filed an application for CDC and MA assistance on January 3, 2014. On this application, claimant stated that she had been laid off from her job as of December 14, 2013.

Claimant returned to work on January 28, 2014, at a reduced rate of pay.

On January 24, 2014 the Department, when processing the application in question, included claimant's former income when calculating her CDC eligibility. This was error.

There is no provision in policy that allows for income no longer received to be considered when calculating benefit eligibility. The Department alleged that claimant had informed them during a conversation on January 24, 2014 that she was still working; however, the Department provided no documentation of this conversation.

Furthermore, even if claimant had indeed stated this information to the Department, such information would be considered a discrepancy; per policy contained in BAM 130, discrepancies are to be verified through a verification request. No verification request was ever made before denying the application.

As such, the Department was in error when it included income from a job that claimant no longer held, per information supplied in the benefit application. Furthermore, the

Department was in error when it failed to obtain verification when it allegedly had reason to believe that the information in the application was incorrect.

Furthermore, with regard to claimant's MA application (filed at the same time as claimant's request for CDC benefits), there is no evidence that the application in question was ever processed.

The application was filed on January 3, 2014. The notice of case action sent on January 24, 2014, contains no mention of eligibility for the months of January and February, 2014; the first months mentioned relevant to this application are March, 2014 onward. The Department alleged that claimant had failed to return proper verification for MA benefits, but a verification checklist was not sent out until the day that the notice of case action was sent. No other notice of case action was submitted into evidence that shows that MA was considered for the months that claimant applied for MA benefits, and there is no evidence anywhere in the submitted file that shows claimant's MA application was ever processed.

Therefore, as claimant applied for MA benefits, and no notices of case action were submitted that showed that the MA case had been processed, the undersigned must hold that the MA application was not processed.

The Administrative Law Judge, based upon 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 .
- did not act in accordance with Department policy when it calculated income eligibility for the CDC program using a job claimant no longer held, and failed to process claimant's January 3, 2014 MA application.
- failed to satisfy its burden of showing that it acted in accordance with Department policy when it .

### **DECISION AND ORDER**

Accordingly, the Department's decision is

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. Reprocess the January 3, 2014 CDC application, using claimant's actual income, and securing verification if necessary.

2. Process claimant's January 3, 2014 MA application.



**Robert J. Chavez**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: April 24, 2014

Date Mailed: April 24, 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

RJC/tm

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