

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

IN THE MATTER OF:

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

Reg. No.: 14-008988
Issue No.: 3001
Case No.: ██████████
Hearing Date: September 10, 2014
County: WAYNE (76)

ADMINISTRATIVE LAW JUDGE: Jacquelyn McClinton

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 September 10, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, Assistance Payments Supervisor; ██████████, Assistance Payments Worker; and ██████████, Regulatory Agent.

ISSUE

Did the Department properly deny Claimant's application for Medical Assistance (MA) benefits for failure to verify requested information?

Did the Department properly close Claimant's Food Assistance Program (FAP) benefits for failure to verify requested information?

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 June 17, 2014, Claimant applied for MA and FAP benefits.
2. Claimant qualified for expedited FAP benefits and immediately began receiving FAP benefits.
3. On June 18, 2014, the Department sent Claimant a Verification Checklist (VCL) requesting that he submit checking account information by June 30, 2014.

4. Claimant submitted the requested checking account information on July 11, 2014.
5. The Office of Inspector General (OIG) notified the Department that Claimant was living with his wife and was not homeless.
6. On July 1, 2014, the Department sent Claimant a Quick Note requesting that he provide his wife's information.
7. On July 11, 2014, the Department sent Claimant a Health Care Determination Notice notifying him that his application for MA benefits had been denied and sent Claimant a Notice of Case Action notifying him that his FAP case would close effective August 1, 2014.
8. On July 17, 2014, Claimant sent Department a letter providing information regarding his wife.

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 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Additionally, verifications are usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (April 2014), p. 1. In this case, Claimant applied for MA and FAP benefits online on June 17, 2014. The Department indicated that it mailed Claimant a VCL on June 18, 2014, requesting that he provide checking account information by June 30, 2014.

FAP

Clients can qualified for expedited FAP benefits if they are found to have less than \$150.00 in monthly gross income and \$100 or less in liquid assets. BAM 117 (July 2014), p. 1. Because Claimant's application did not list any assets and because he stated he was unemployed, he qualified for and began receiving expedited FAP benefits.

The Department stated that Claimant returned the requested checking account information on July 11, 2014. Also on July 11, 2014, the Department sent Claimant a Notice of Case Action and a Health Care Determination Notice. The Notice of Case Action notified Claimant that his FAP benefits would close effective August 1, 2014 for failure to verify information. When a client meets the requirement that caused the negative action before a negative effective date that does not take immediate effect, the Department is required to delete the negative action. BAM 220 (July 2014) p. 12. Accordingly, because Claimant cured the issue causing the negative action before the negative effective date of August 1, 2014, the negative action regarding his FAP benefits should have been deleted.

MA

On July 11, 2014, the Department sent Claimant a Health Care Determination Notice. Notifying him MA application had been denied for failure to verify information. Department policy holds that adequate notice is a written notice sent to the client at the same time an action takes effect (not pended). Adequate notice is given at approval/denial of an application. BAM 220, p. 2. Claimant failed to return the requested checking account information by the due date of June 30, 2014. The Department sent a Health Care Determination Notice notifying him that his June 17, 2014 application for MA benefits had been denied. Because Claimant failed to timely return the requested information, it is found that the Department properly denied Claimant's application for MA benefits. Claimant may reapply and request retroactive coverage for the previous three months.

Other verification issue

The Department testified that the closure/denial of benefits was also based on verifications Claimant failed to return as a result of an OIG investigation. Specifically, the Department stated that it received information from the OIG stating that Claimant was not homeless and living out of his car as he reported in his application but that he was actually living with his wife. As a result, the Department testified that on July 1, 2014, it sent Claimant a Quick Note requesting that he provide his wife's information. The Department acknowledged that it should have sent Claimant a VCL with an established due date instead of a Quick Note. However, Claimant confirmed that he received the Quick Note. In response, Claimant sent the Department a letter stating that he did not reside with his wife. Claimant's letter further told the Department that his

wife has no job and receives income from the Social Security Administration in the amount of \$1,000.00 per month.

Claimant testified that his wife allows him use her home as his mailing address; allows him to take a shower a few times per month and allows him to use the computer for employment searches a few times per week. Claimant testified that he sometimes resides with friends or lives out of the car he owns. Other than the one day the OIG found Claimant to be at his wife's home, there was no other evidence provided that Claimant lived with his wife. It is therefore found that Claimant's testimony that he is homeless is found to be credible. Given that Claimant is found to be homeless, the verification regarding his wife was unnecessary.

Notwithstanding this, the Department stated that the Quick Note requested his wife's information. It is unclear what information the Department was requesting that Claimant provide especially in light that there was no VCL sent. However, it is found that Claimant provided information regarding his wife in the July 17, 2014 letter when he informed the Department that she was unemployed and receiving income from the Social Security information. There was no testimony that the Quick Note included any deadline so it is therefore found that Claimant provided his wife's information in a timely manner.

Conclusion

The evidence presented at the hearing demonstrated that the Department improperly closed Claimant's FAP case as he cured all issues causing the negative action and it should have been deleted and his FAP benefits should have been reinstated. However, the evidence presented at the hearing also demonstrated that the Department properly denied Claimant's June 17, 2014 application for MA benefits for failure to timely verify requested information. Accordingly, 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 policy when it closed Claimant's FAP case but did act in accordance with policy when it denied Claimant's June 17, 2014 application for MA benefits.

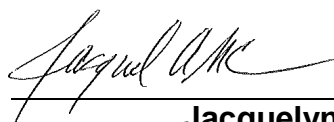
DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED** in part and **REVERSED** in part.

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. Reinstatement Claimant's FAP benefits effective August 1, 2014; and

2. Issue FAP supplements based upon the FAP monthly benefit amount prior to closure of August 1, 2014.



Jacquelyn McClinton
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **9/15/2014**

Date Mailed: **9/15/2014**

JAM / cl

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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:

