

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

**IN THE MATTER OF:**



Reg. No.: 14-006289  
Issue No.: 2002, 3002  
Case No.: [REDACTED]  
Hearing Date: September 11, 2014  
County: DHS SSPC CENTRAL

**ADMINISTRATIVE LAW JUDGE:** Gary Heisler

**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 11, 2014, from Lansing, Michigan. Participants on behalf of Claimant included himself. Participants on behalf of the Department of Human Services (Department) included Hearing Facilitator [REDACTED]

**ISSUE**

Did the Department properly deny Claimant's May 21, 2014 application for Medical Assistance and Food Assistance Program 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 had previously received Food Assistance Program benefits which ended.
2. On May 21, 2014, Claimant submitted an application for Medical Assistance and Food Assistance Program benefits.
3. On May 27, 2014 Claimant was sent a Verification Checklist (DHS-3503) and Self-Employment Income and Expense Statements (DHS-431). The checklist requested verification of: a checking account; other self-employment; wages, salaries, tips, and commissions; and loss of employment. The verifications were due back on June 6, 2014.
4. On June 19, 2014, Claimant participated in an interview with his DHS case worker. The case worker recorded that Claimant reported: a savings account; owning 2 houses, living in one and the other was not currently making any income; and that his only source of income was self-employment.

5. On June 20, 2014, Claimant was sent a Notice of Case Action (DHS-1605) which stated his Food Assistance Program application was denied beginning July 1, 2014. The case worker had put a statement in the comment section that the application was denied for failure to return verification of savings account.
6. On June 20, 2014, Claimant was also sent a Health Care Coverage Determination Notice (DHS-1606) which stated his Medical Assistance application was denied for failure to return the Health Care Coverage Supplemental Questionnaire (DHS-1004).
7. On July 1, 2014, Claimant submitted a hearing request about both programs. Claimant also submitted the bank statement.

### **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.

The May 27, 2014, Verification Checklist (DHS-3503) specifically identified the need for verification of a checking account only, no savings account. Twenty four days later, after the due date, the DHS case worker spoke with Claimant and recorded there was only a savings account. Twenty five days after the Verification Checklist (DHS-3503) and one day after the interview, Claimant's application was denied for failure to provide verification of a savings account. There is no evidence in this record to show what bank accounts were or were not listed on the application. There is no evidence in this record to show what if any bank accounts were in Claimant's BRIDGES data base from his previous approved eligibility.

After the hearing request was submitted, the Department also asserted that Claimant had not submitted the required 3 months of self-employment income statements. The May 27, 2014, Verification Checklist (DHS-3503) specifically identified the need for

verification of: other self-employment; wages, salaries, tips, and commissions; and loss of employment. The wages, salaries, tips, and commissions item identifies the necessity of returning; last 30 days of check stubs or earnings statements; or employer statement; or Verification of Employment (DHS-38). The other self-employment item identifies the necessity of returning; recent business receipts to date; or recent accounting or other business records to date. The Department's records show that Claimant provided income information for May 2014. There is no evidence in this record which shows Claimant was given notice of a requirement to submit 3 months of self-employment records.

The June 20, 2014, Health Care Coverage Determination Notice (DHS-1606) stated that Claimant's Medical Assistance application was denied because he did not return the Health Care Coverage Supplemental Questionnaire (DHS-1004) that was sent to him. There is no evidence in this record which shows Claimant was sent a Health Care Coverage Supplemental Questionnaire (DHS-1004). The Department asserts that the Medical Assistance application was denied for failure to provide the 3 months of self-employment income. The Health Care Coverage Determination Notice (DHS-1606) shows that an annual income of \$ [REDACTED] was used in determining Claimant's eligibility for health care coverage. The Department's records show that Claimant provided income information for May 2014. Once again, there is no evidence in this record which shows Claimant was given notice of a requirement to submit 3 months of self-employment records.

Bridges Administration Manual (BAM) 130 Verification and Collateral Contacts (2014) at page 3, under obtaining verifications for all programs states: "Tell the client what verifications is required, how to obtain it, and the due date." 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 May 21, 2014 application for Medical Assistance and Food Assistance Program benefits.

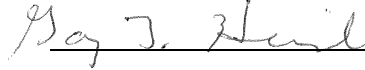
### **DECISION AND ORDER**

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. Reinstate Claimant's May 21, 2014, application for Medical Assistance and Food Assistance Program benefits.
2. Process the application in accordance with Department policy.

3. Issue Claimant a current Notice of Case Action (DHS-1605) showing his Medical Assistance and Food Assistance Program eligibility beginning May 21, 2014.

  
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Gary Heisler  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **9/23/2014**

Date Mailed: **9/23/2014**

CL / hj

**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:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

CC: 

