

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 14-007456  
Issue No.: 1004; 6007; 7001  
Case No.: ██████████  
Hearing Date: October 15, 2014  
County: MACOMB-DISTRICT 20  
(WARREN)  
INGHAM-DISTRICT 33

**ADMINISTRATIVE LAW JUDGE: Eric Feldman**

**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 three-way telephone hearing was held on October 15, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████ Hearings Facilitator; ██████████, Partnership. Accountability.Training.Hope. (PATH) Case Manager; and ██████████ Hearings Facilitator.

**ISSUES**

Did the Department properly process Claimant's Direct Support Services (DSS) request for vehicle purchase dated on or around May 8, 2014?

Did the Department properly deny Claimant's DSS request for vehicle purchase effective July 16, 2014?

Did the Department properly process Claimant's change report (member addition) for her Family Independence Program (FIP) benefits?

Did the Department properly provide payments to Claimant's Child Development and Care (CDC) provider for the billing period of March 23, 2014 to April 5, 2014?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. From March 23, 2014 to April 5, 2014, the Department authorized Claimant's CDC coverage for a group size of four. See Exhibit 2, p. 1.
2. On or around May 8, 2014, Claimant alleged that she requested DSS assistance for a vehicle purchase.
3. On May 8, 2014, Claimant provided verification to the Department that she obtained guardianship over Child A (child's name intentionally removed).
4. In June 2014, the Department received verification of Child A's student information, which indicated Child A was dropped from school due to poor attendance. See Exhibit 2, pp. 17-19.
5. On or around mid-June 2014 to July 2014, Claimant submitted a DSS request for vehicle purchase with accompanying documentation. See Exhibit 2, pp. 11-12.
6. On June 25, 2014, the Department sent Claimant a Notice of Case Action notifying Claimant that her FIP benefits increased to \$549 for a group size of six effective July 1, 2014, ongoing. See Exhibit 2, pp. 6-9.
7. On July 16, 2014, the Department sent Claimant a Quick Note notifying Claimant she is not eligible for DSS assistance to purchase a vehicle because she did not provide verification of working 20 hours per week. See Exhibit 1, p. 3.
8. On July 18, 2014, Claimant filed a hearing request, protesting the Department's failure to process her DSS request and her DSS denial, failure to add Child A to Claimant's FIP benefits, and failure to provide payment to Claimant's CDC provider. See Exhibit 1, pp. 15-17.

### **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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101 to .3131.

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.

Direct Support Services (DSS) is established by the Social Welfare Act, MCL 400.1-.119b. The program is administered by the Department pursuant to MCL 400.10 and 400.57a and Mich Admin Code R 400.3603.

#### **DSS assistance dated on or around May 8, 2014**

In this case, on or around May 8, 2014, Claimant alleged that she requested DSS assistance for a vehicle purchase. Claimant testified that she submitted paperwork regarding the vehicle purchase request at the local DHS office and signed the logbook. See Exhibit 1, p. 16. However, Claimant testified that she never received a response to her DSS request for vehicle purchase.

At the hearing, the Department argued that it never received Claimant's request for vehicle purchase on or around May 8, 2014. In fact, a review of Claimant's electronic case file did discover that she submitted documentation on May 8, 2014; however, the documents submitted were unrelated to a vehicle purchase request (i.e., verification of student information or bank statements). See Exhibit 2, p. 11.

The Department determines eligibility and benefit amounts for all requested programs. BAM 105 (April 2014), p. 15. The Department records and documents each eligibility determination for which the Department certifies approval or denial on its certification screen. BAM 105, p. 16. Upon certification, the Department automatically sends a notice of case action, informing the client of the decision. BAM 105, p. 16. The Department sends a DHS-1605, Client Notice, informing the client of the outcome of his/her DSS request. BEM 232 (October 2013), p. 7.

Based on the foregoing information, the evidence established that Claimant never submitted a request a DSS request for vehicle purchase on or around May 8, 2014. See BAM 105, pp. 15-17 and BEM 232, p. 7. It is evident that Claimant submitted documentation on May 8, 2014; however, it was unrelated to Claimant's alleged vehicle purchase request. See Exhibit 2, p. 11. As such, Claimant failed to present evidence in which the Department would be required to process her alleged DSS request. See BAM 105, pp. 15-17 and BEM 232, p. 7.

#### **DSS assistance denial effective July 16, 2014**

Direct Support Services (DSS) are goods and services provided to help families achieve self-sufficiency. BEM 232, p. 1. DSS includes Employment Support Services (ESS) and Family Support Services (FSS) that directly correlates to removing an employment-related barrier. BEM 232, p. 1. There is no entitlement for DSS. BEM 232, p. 1. The decision to authorize DSS is within the discretion of the DHS or PATH program. BEM 232, p. 1.

The Department authorizes up to \$2,000 to purchase, not lease, a vehicle to be used as a participant's primary means of transportation for work or employment-related activities. BEM 232, p. 16. For FIP recipients, the Department refers to Clients Served by PATH in BEM 232 policy. See BEM 232, pp. 4 and 16. Vehicle purchase is limited to once in a client's lifetime. BEM 232, p. 16. Prior approval by the Department is required for this service. BEM 232, p. 16.

On or around mid-June 2014 to July 2014, Claimant submitted a DSS request for vehicle purchase with accompanying documentation in order to maintain her employment. See Exhibit 2, pp. 11-12. On July 16, 2014, the Department sent Claimant a Quick Note notifying Claimant she is not eligible for DSS assistance to purchase a vehicle because she did not provide verification of working 20 hours per week. See Exhibit 1, p. 3.

The Department testified that Claimant was not working 20 hours at the time of request. See Exhibit 1, p. 14. The Department argued that it required Claimant working 20 hours in a week in order to show that she is able to afford the vehicle. Claimant testified, though, that she was employed from on or around April 15, 2014 to August 10, 2014. Claimant testified that she did not work for approximately two weeks and indicated that her hours varied from 12 hours to 39 hours. Nevertheless, Claimant argued that she did provide the verification of her pay stubs. The Department testified that it only received one pay stub from the Claimant.

A vehicle may be purchased for a currently employed client if the client needs a vehicle to accept a verified offer of a better job; or needs a vehicle to retain current employment; and has a demonstrated ability to maintain a job. BEM 232, p. 16.

A vehicle may be purchased for a client who is not currently employed if the client:

- Has a demonstrated ability to maintain a job.
- Needs a vehicle to accept a verified job offer.
- Needs a vehicle to participate in family self-sufficiency activities that will prepare the client for employment.

BEM 232, p. 16.

In addition, the Department ensures the client has the ability to afford any payments, insurance and other expenses associated with owning the vehicle before authorizing the purchase and other requirements listed in BEM 232. See BEM 232, pp. 16-17.

Based on the foregoing information and evidence, the Department improperly denied Claimant's DSS request for vehicle purchase effective July 16, 2014.

First, the Department sends a DHS-1605, Client Notice, informing the client of the outcome of his/her DSS request. BEM 232, p. 7. Instead, the Department sent Claimant a Quick Note informing her of the denial, which was improper. See BEM 232, p. 7.

Second, Claimant's testimony indicated that she was working between 12 to 39 hours at the time of application. In fact, Claimant's electronic case file indicted multiple submissions of income verifications on June 23, 2014, which was the same date she provided proof of vehicle documents. See Exhibit 2, p. 12. Furthermore, the Department provided a copy of Claimant's employee information, which indicated she last worked on June 19, 2014. See Exhibit 2, pp. 13-14. However, Claimant credibly testified that she continued to be employed through August 10, 2014. Nevertheless, before determining eligibility, the Department gives the client a reasonable opportunity to resolve any discrepancy between his statements and information from another source. BAM 130, p. 8. There are several discrepancies present in this case, which range from whether Claimant provided verification of her income to if she actually is able to afford a vehicle.

For the above stated reasons, the Department did not act in accordance with Department policy when it improperly denied Claimant's DSS request for vehicle purchase and it will reprocess her DSS request in accordance with Department policy.

### **FIP member addition**

Changes in need occur when there are changes in certified group size. BEM 515 (July 2013), p. 3. For change reported timely, member additions resulting in a grant increase will affect the month after the month the change occurred. BEM 515, p. 3. For changes not reported timely, member additions resulting in a grant increase, the Department reflects the change in the month after the month the change is reported. BEM 515, p. 4.

In this case, on May 8, 2014, Claimant provided verification to the Department that she obtained guardianship over Child A (sixteen-year-old). As such, Claimant argued that her FIP benefits should have increased in group size. On June 25, 2014, the Department sent Claimant a Notice of Case Action notifying Claimant that her FIP benefits increased to \$549 for a group size of six effective July 1, 2014, ongoing. See Exhibit 2, pp. 6-9. However, a review of Claimant's Notice of Case Action found that Child A was not listed as a FIP group member. See Exhibit 2, p. 7.

At the hearing, Claimant testified that when she obtained custody of Child A, she was not given the proper paperwork to get Child A enrolled in school for the two and a half weeks before school ended on June 6, 2014. See Exhibit 2, p. 17. Claimant testified that Child A was attending school prior to May 6, 2014. See Exhibit 2, p. 17. Furthermore, Claimant testified that Child A was enrolled in school as of July 3, 2014 and the hearing request stated that she would attend until August 7, 2014, when the school year ends. See Exhibit 2, p. 17.

In June 2014, the Department testified it received verification of Child A's student information (Wayne County), which indicated Child A was dropped due to poor attendance. See Exhibit 2, pp. 18-19. However, the Department presented a documentation record dated July 21, 2014. See Exhibit 1, p. 4. The documentation record indicated that Child A had been enrolled in school (Macomb County-different school) and that Child A needs to be added to the FIP as of May 7, 2014. See Exhibit

1, p. 4. Furthermore, the documentation record stated that the DHS caseworker was supposed to e-mail a copy of the school verification form; however, the caseworker had not received it yet. See Exhibit 1, p. 4.

For FIP benefits, a dependent child age 16 or 17 who is not attending high school full-time is disqualified from the FIP group by the Department. See BEM 245 (July 2013), p. 1 and 2. A dependent child must be enrolled in and attending a school as defined in in BEM 245. BEM 245, p. 2. The schools determine: the level of enrollment (such as full-time, half-time, or part-time); attendance compliance; and suspensions (such as reasons for/duration). BEM 245, p. 5. Verification of school enrollment and attendance includes the DHS-3380, Verification of Student Information or telephone contact with the school. See BEM 245, p. 9.

Based on the foregoing information and evidence, the Department properly did not add Child A to Claimant's FIP benefits. Even though the Department had appeared to process Claimant's change report untimely (see BEM 515, p. 3), the evidence presented that Child A was not enrolled in school due to poor attendance at the time of the reported change. See Exhibit 2, pp. 18-19. Claimant event acknowledged that Child A had not been subsequently enrolled in school until July 3, 2014. As such, Child A did not meet the requirements of school enrollment and attendance at the time of the reported change. See BEM 245, pp. 1-9.

It should be noted that the documentation record did confirm that Child A was enrolled in school (Macomb County – different school) and Child A should be added to the FIP group effective May 7, 2014. See Exhibit 1, p. 4. However, it is improper to add Child A to Claimant's FIP benefits effective May 7, 2014 because Claimant's own testimony and the evidence presented that Child A was not enrolled in school until July 2014. Furthermore, the documentation record is dated July 21, 2014, which is subsequent to Claimant's hearing request. See Exhibit 1, pp. 4 and 15-17. Claimant can request another hearing to dispute the member add for future benefits (i.e., August 2014). See BAM 600 (July 2014), pp. 4-6.

### **CDC provider payments**

In this case, Claimant argued that her CDC provider has not been paid for the billing period of March 23, 2014, to April 5, 2014. See Exhibit 1, p. 16. Claimant testified that her provider has contacted and attempted multiple times to bill for this time period; however, the provider was unsuccessful.

At the hearing, the Department presented Claimant's Eligibility Summary, which indicated that it properly authorized (certification date of August 12, 2014) CDC coverage for the time period of March 23, 2014 to April 5, 2014. See Exhibit 2, p. 1. Furthermore, Claimant's benefit summary inquiry does not show any payments for the above time period. See Exhibit 2, p. 4. During the hearing, the Department testified that the provider has to contact the Reconciliation Unit to get an exception for billing past 90 days.

Providers must bill the department biweekly for care provided. BEM 706 (April 2014), p. 2. Each bill covers a two-week pay period. BEM 706, p. 2.

Providers must bill DHS within 90 days after the end of the pay period being billed or 90 days after the authorization was entered by the local office in order to receive payment. BEM 706, p. 2. If the provider bills and the payment is rejected as a result of late billing, the provider must contact the Central Reconciliation Unit (CRU) at 1-866-990-3227 to request that the payment be released. BEM 706, pp. 2-3. In order for a late billing to be approved, providers will be required to demonstrate good cause for not billing within the 90 day period. BEM 706, p. 3. The CRU will determine whether or not good cause has been demonstrated and the payment is to be released. BEM 706, p. 3.

Regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in Mich Admin Code, R 400.901 through R 400.951. Rule 400.903(1) provides as follows:

An opportunity for a hearing shall be granted to an applicant who requests a hearing because [a] claim for assistance is denied or is not acted upon with reasonable promptness, and to any recipient who is aggrieved by a Department action resulting in suspension, reduction, discontinuance, or termination of assistance.

Based on the foregoing information and evidence, this hearing lacks the jurisdiction to address Claimant's dispute that her CDC provider has not been paid for the billing period indicated above. See BAM 600, pp. 4-6. The evidence presented that the Department properly activated CDC coverage for Claimant's billing period in dispute. See Exhibit 2, p. 1. As such, Claimant is not an aggrieved party because the Department properly activated CDC coverage for the billing period. Instead, Department policy directs that the provider contact the CRU in order to receive payment. See BEM 706, pp. 2-3. Therefore, Claimant's CDC hearing request (dated July 18, 2014) is DISMISSED for lack of jurisdiction.

### **DECISION AND ORDER**


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 acted in accordance with Department policy when it did not process Claimant's alleged DSS vehicle purchase request dated May 8, 2014; (ii) did not act in accordance with Department policy when it improperly denied Claimant's DSS request for vehicle purchase effective July 16, 2014; (iii) acted in accordance with Department policy when it properly did not add Child A to Claimant's FIP benefits due to non-cooperation with school attendance; and (iv) this hearing lacks the jurisdiction to address Claimant's CDC dispute.

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to Claimant's alleged DSS vehicle purchase request dated May 8, 2014 and Child A's member add to FIP benefits, and **REVERSED IN PART** with respect to DSS vehicle purchase request effective July 16, 2014.

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. Initiate registration and processing of Claimant's June 2014 DSS request for vehicle purchase;
2. Begin issuing supplements to Claimant for any DSS vehicle purchase she was eligible to receive but did not from the date of application; and
3. Begin notifying Claimant in writing of its DSS decision.

**IT IS ALSO ORDERED** that Claimant's CDC hearing request (dated July 18, 2014) is **DISMISSED** for lack of jurisdiction.

  
**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **10/22/2014**

Date Mailed: **10/22/2014**

EJF / 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:

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

CC:

[REDACTED]