

**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.: 14-002992  
Issue No.: 2004; 3000; 5011  
Case No.: ██████████  
Hearing Date: August 7, 2014  
County: WAYNE-DISTRICT (18)

**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 August 7, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, Stephanie Rains. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████ ██████████, Assistant Payment Supervisor; and ██████████ ██████████, Eligibility Specialist. Also, ██████████, Lead Specialist from the Office of Child Support (OCS) was present for the hearing.

**ISSUES**

Did the Department process Claimant's Medical Assistance (MA) application dated November 28, 2013, retroactive to August 2013?

Did the Department properly deny Claimant's State Emergency Relief (SER) application for rent to relocate and security deposit?

**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 September 12, 2013, Claimant was placed in non-cooperation with the OCS by the county prosecutor's office.
1. On November 28, 2013, Claimant applied for MA benefits, retroactive to August 2013. See Exhibit 2, pp. 39-56.
2. The Department subsequently failed to process Claimant's MA application.

3. On May 7, 2014, Claimant applied for SER assistance for rent to relocate and security deposit. See Exhibit 2, pp. 1-21.
4. On May 8, 2014, the Department sent Claimant an Application Notice, which denied Claimant's SER application based on her need for the requested service does not meet program requirements. See Exhibit 1, p. 26.
5. On May 14, 2014, Claimant filed a hearing request, protesting her SER denial, Food Assistance Program (FAP) allotment, and MA program denial/closure. See Exhibit 1, pp. 27-29.

### **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 State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Family Independence Agency) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001 through R 400.7049.

### **Preliminary matter**

On May 14, 2014, Claimant filed a hearing request, protesting her FAP allotment. See Exhibit 1, pp. 28-29. Shortly after commencement of the hearing, Claimant testified that she is no longer disputing her FAP allotment. As such, Claimant's FAP hearing request (dated May 14, 2014) is DISMISSED.

## **MA application**

On May 14, 2014, Claimant filed a hearing request, protesting her MA program denial/closure. See Exhibit 1, pp. 27-29. Specifically, Claimant testified that she is disputing her MA application in November 2013, in which she did not remember receiving a decision. As such, this Administrative Law Judge (ALJ) will address Claimant's MA dispute and determine if the Department failed to process her application. See BAM 600 (July 2014), pp. 4-6. It should be noted that Claimant also appeared to dispute a subsequent MA application; however, she ultimately testified that she was disputing the November 2013 application.

Any person, regardless of age, or his/her authorized representative (AR) may apply for assistance. BAM 110 (July 2013), p. 4. The Department must register a signed application or filing form, with the minimum information, within one workday for all requested programs. BAM 110, p. 19.

The standard of promptness (SOP) begins the date the department receives an application/filing form, with minimum required information. BAM 115 (July 2013), p. 15. For MA applications, the Department certifies the program approval or denial of the application within 45 days. BAM 115, p. 15. However, there are exceptions to these benefits programs for processing times, which are described as follows: 90 days for MA categories in which disability is an eligibility factor. BAM 115, pp. 15-16. The SOP can be extended 60 days from the date of deferral by the Medical Review Team. BAM 115, p. 16.

Moreover, if the group is ineligible or refuses to cooperate in the application process, the Department must certify the denial within the standard of promptness and also send a DHS-1605, Client Notice, or the DHS-1150, Application Eligibility Notice, with the denial reason(s). BAM 115, p. 23. If approved, the Department sends the DHS-1605 detailing the approval at certification of program opening. BAM 115, p. 23.

During the hearing, it was discovered that Claimant applied for MA benefits on November 28, 2013, retroactive to August 2013. See Exhibit 2, pp. 39-56. Claimant testified that she did not know if she received a decision on the application.

The Department failed to present evidence if it processed Claimant's MA application (i.e., issuance of a Notice of Case Action). The Department, though, did present Claimant's Eligibility Summary, which provided a history of her MA benefits. See Exhibit 1, pp. 21-38. A review of Claimant's Eligibility Summary indicated possible MA closures in November 2013, but also indicated approval for MA benefits. Nevertheless, the evidence failed to show that the Department processed Claimant's MA application. Thus, the Department will register and process Claimant's MA application dated November 28, 2013, retroactive to August 2013 in accordance with Department policy.

### **SER application**

State Emergency Relief (SER) assists individuals and families to resolve or prevent homelessness by providing money for rent, security deposits, and moving expenses. ERM 303 (October 2013), p. 1.

The Department accepts the decision of the SER group regarding use of the relocation funds authorized. ERM 303, p. 1. The issuance amount must resolve the group's shelter emergency. ERM 303, p. 1. The Department authorizes any combination of the following services: first month's rent, rent arrearage, security deposit, or moving expenses. See ERM 303, p. 1. Legal notice refers to a court summons, order, or judgment was issued which will result in the SER group becoming homeless. ERM 303, p. 3.

On May 7, 2014, Claimant applied for SER assistance for rent to relocate and security deposit. See Exhibit 2, pp. 1-21. Specifically, Claimant requested \$800 assistance for rent to relocate and \$800 for a security deposit. See Exhibit 2, pp. 12-13. On May 8, 2014, the Department sent Claimant an Application Notice, which denied Claimant's SER application based on her need for the requested service does not meet program requirements. See Exhibit 1, p. 26. Based on the Department's testimony, it appeared Claimant's SER denial was based on her non-cooperation with the OCS. However, subsequent to the denial, Claimant testified that her DHS caseworker informed her the denial reason was failure to provide an eviction notice.

Additionally, on September 12, 2013, Claimant was placed in non-cooperation with the OCS by the county prosecutor's office. The non-compliance was in regards to Claimant's oldest daughter. The OCS caseworker, though, was limited in her testimony as to the non-compliance because it was placed by a third party (prosecuting attorney). The OCS case testimony was limited to the ongoing non-cooperation date from September 12, 2013, it was applied by the county prosecutor's office, and that it appeared to relate to genetic tests.

At the hearing, Claimant testified that she discovered the non-compliance with the OCS subsequent to the SER denial. On or around mid-late May 2014, Claimant testified that she eventually discovered from her local DHS office that she was in non-compliance. Claimant testified that she never received any written notification of the non-compliance. In June 2014, Claimant testified that she contacted the county prosecutor's office regarding the non-compliance. Moreover, Claimant testified that she will still be non-compliance because the county prosecutor's office has to refile the case due to the age of the case. Claimant testified that she has been cooperative with the county prosecutor's office once she discovered it. The county prosecutor's office and/or a representative were not present for the hearing.

Groups that are non-cooperative with the OCS are also ineligible for SER. ERM 203 (June 2013), p. 2. SER ineligibility continues as long as the group member fails or

refuses to pursue potential resources. ERM 203, p. 2. Sanctioned groups that are able to comply are ineligible for SER until they comply. ERM 203, p. 2.

Based on the foregoing information and evidence, the Department failed to satisfy its burden showing that it acted in accordance with Department policy when it denied Claimant's SER application.

First, the Department failed to notify Claimant of the proper denial reason(s). The Department informs all SER applicants in writing of the decision made on their application. ERM 103 (October 2013), p. 3. The Department mails or gives the DHS-1419, Decision Notice, to the applicant. ERM 103, p. 3. A review of Claimant's Application Notice did not indicate the proper denial reason(s) (i.e., non-compliance with the OCS or court order eviction notice). See Exhibit 1, p. 26 and ERM 103, p. 3.

Second, Claimant credibly testified that she has cooperated with the OCS and/or the county prosecutor's office. Moreover, the OCS was limited in its testimony to the non-compliance because it originated from the county prosecutor's office. Additionally, neither the prosecuting attorney nor a representative was present at the hearing to rebut Claimant's testimony that she is cooperative. As such, Claimant is in cooperation with the OCS and the Department improperly denied Claimant's SER application in accordance with Department policy. ERM 203, p. 2.

### **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 did not act in accordance with Department policy when it (i) improperly denied Claimant's SER application (dated May 7, 2014) for rent to prevent eviction and security deposit; and (ii) the Department failed to process Claimant's MA application dated November 28, 2013, retroactive to August 2013.


Accordingly, the Department's MA and SER 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. Remove any noncooperation sanction imposed by the Office of Child Support back to the date Claimant was last found to be in "non-cooperation," which is September 12, 2013;
2. Initiate registration and processing of Claimant's MA application dated November 28, 2013, retroactive to August 2013;

3. Begin issuing supplements to Claimant for any MA benefits she was eligible to receive but did not from August 1, 2013, ongoing; and
4. Reregister and initiate processing of the SER application dated May 7, 2014 and as the circumstances existed at the time of application and in accordance with Department policy;
5. Issue supplements to Claimant for any SER benefits she was eligible to receive but did not from the time of application; and
6. Notify Claimant in writing of its MA and SER decision in accordance with Department policy;

**IT IS ALSO ORDERED** that Claimant's FAP hearing request (dated May 14, 2014) is **DISMISSED**.

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

Date Signed: **8/15/2014**

Date Mailed: **8/15/2014**

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]