

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

IN THE MATTER OF:



Reg. No.: 14-003577
Issue No.: 1002;2001;3000
Case No.: [REDACTED]
Hearing Date: July 02, 2014
County: WAYNE-DISTRICT 15

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

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 July 2, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED], Family Independence Specialist.

ISSUE

Did the Department properly process Claimant's Food Assistance Program (FAP); Family Independence Program (FIP); and Medical Assistance (MA) 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 was an ongoing recipient of FAP and FIP benefits.
2. On April 18, 2014, the Department sent Claimant a New Hire Client Notice requesting that she complete and return the form by April 28, 2014. (Exhibit 1)
3. Claimant submitted the New Hire Client Notice to the Department on April 30, 2014.
4. On May 19, 2014, the Department sent Claimant a Notice of Case Action informing her that effective June 1, 2014, her FAP and FIP cases would be closing on the basis that she failed to verify or allow the Department to verify requested information. (Exhibit 2)

5. On January 26, 2014, Claimant submitted an application for MA benefits. (Exhibit 4)
6. On May 20, 2014, the Department sent Claimant a Health Care Coverage Determination Notice informing her that for June 1, 2014, ongoing, she was ineligible for MA on the basis that she was not under 21, pregnant, or a caretaker of a minor child, that she was not aged, blind or disabled. (Exhibit A)
7. On May 23, 2014, Claimant submitted a hearing request disputing 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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

FAP

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 hearing was requested to dispute the Department's action taken with respect to Claimant's FAP benefits. Shortly after commencement of the hearing, Claimant testified that she no longer had any issues to address with respect to her FAP benefits, as she had reapplied for FAP benefits and was approved with no lapse in her receipt of FAP benefits. Claimant confirmed that she did not wish to proceed with the hearing concerning FAP. The Request for Hearing was withdrawn. The Department agreed to the dismissal of the hearing request. Pursuant to the withdrawal of the hearing request filed in this matter, the Request for Hearing regarding the FAP is hereby **DISMISSED**.

FIP

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.

Additionally, verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (April 2014), p.1. To request verification of information, the Department sends a Verification Checklist (VCL)

which tells the client what verification is required, how to obtain it, and the due date. BAM 130, pp. 2-3. The client must obtain the required verification, but the Department must assist if help is needed and requested. If neither the client nor the Department can obtain the requested verification despite a reasonable effort, the Department will use the best available information and if no evidence is available, its best judgment. BAM 130, p.3 FIP clients are given 10 calendar days to provide the verifications requested by the Department. Verifications are considered to be timely if received by the date they are due. BAM 130, pp.6-7. For FIP cases, the Department sends a negative action notice when the client indicates a refusal to provide a verification or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, pp. 6-7.

The Department routinely matches recipient employment data with the Michigan Department of Treasury (MDOT) through computer data exchange processes. New Hires is a daily exchange with MDOT and the information is used to determine current income sources for active Department clients. BAM 807 (July 2013), p.1. The New Hire database is established from W-4 tax records submitted to MDOT by employers. The New Hires process matches the Social Security number (SSN) for all active recipients to the database. If a SSN match is found on Bridges and the New Hires database, a New Hires match is created if there is no earned income reflected in Bridges. BAM 807, p.1. If the employment has not been previously reported, the Department is to request verification of the employment by sending the client a New Hire Notice. BAM 807, p.1. Clients are given 10 calendar days to provide verification from the date the forms were requested. If verifications are not returned by the 10th day, the case will close for a minimum of 30 days after appropriate actions are taken in Bridges, unless the client returns the requested verifications. BAM 807, p. 2.

At the hearing, the Department testified that Claimant's FIP case closed because she did not return the completed New Hire Client Notice by the April 28, 2014, due date. The Department testified that Claimant submitted the requested information on April 30, 2014. On May 19, 2014, the Department sent Claimant a Notice of Case Action informing her that effective June 1, 2014, her FIP case would be closed on the basis that she failed to verify requested information. (Exhibit 2).

According to BAM 220, if the client provides the information that meets the requirement that caused the negative action, the Department is to take the appropriate steps to delete the negative action and reactivate the program. BAM 220 (January 2014), pp. 12-13. In this case, Claimant submitted the requested verifications prior to the Department sending her the Notice of Case Action and prior to the negative action and effective date of the case closure. Therefore, the Department should have deleted the negative action and reinstated Claimant's FIP case, as she met the requirement before the effective date of the negative action.

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 closed Claimant's FIP case.

MA

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.

When the Department receives an application for assistance, it is to be registered and processed in accordance with Department policies. The standard of promptness (SOP) begins the date the department receives an application/filing form, with minimum required information. BAM 115 (January 2014), p. 14. The Department is to certify program approval or denial of the application within 45 days, unless an exception applies and upon certification of eligibility results, the Department is to notify clients in writing of positive and negative actions by generating the appropriate notice of case action. After processing an initial application, the Department will notify clients of the approval or denial. BAM 115, pp. 15; BAM 220 (January 2014), p. 1.

In this case, Claimant submitted an application for MA benefits on January 26, 2014. On May 20, 2014, the Department sent Claimant a Health Care Coverage Determination Notice informing her that for June 1, 2014, ongoing, she was ineligible for MA on the basis that she was not under 21, pregnant, or a caretaker of a minor child, that she was not aged, blind or disabled. (Exhibit A).

At the hearing, the Department stated that there were certain errors in the processing of Claimant's MA application and acknowledged that the reason for the denial identified in the Health Care Coverage Determination Notice was improper. The Department testified and Claimant confirmed that she is the parent and caretaker of a minor child. The Department further acknowledged that it did not properly determine Claimant's eligibility for MA from the application date, and that the Health Care Coverage Determination Notice only referenced Claimant's eligibility for MA from June 1, 2014, ongoing.

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 MA application.

DECISION AND ORDER

Accordingly, Claimant's hearing request with respect to FAP is DISMISSED and the Department's FIP and MA decisions are 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 FIP case effective June 1, 2014;
2. Issue supplements to Claimant for any FIP benefits that she was entitled to receive but did not from June 1, 2014, ongoing;
3. Register and process Claimant's January 26, 2014, MA application to determine her eligibility for MA under the most beneficial MA category for January 1, 2014, ongoing;
4. Issue MA coverage to Claimant for any MA benefits that she was entitled to receive but did not from January 1, 2014, ongoing; and
5. Notify Claimant in writing of its decision.



Zainab Baydoun

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

Date Signed: **7/8/2014**

Date Mailed: **7/8/2014**

ZB / tlf

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:

