

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

IN THE MATTER OF:

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

Reg. No.: 14-018435
Issue No.: 1001; 2001; 3001
Case No.: ██████████
Hearing Date: January 22, 2015
County: Wayne-District 19

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 January 22, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, PATH Worker. Observing, but not participating, was ██████████, a Department worker.

ISSUE

Did the Department properly deny Claimant's Family Independence Program (FIP) application and close her Food Assistance Program (FAP) case for failure to verify assets?

Did the Department properly close Claimant's Medical Assistance (MA) cases for her and her minor child?

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 has a minor child who lives with her.
2. Claimant and her minor child were ongoing recipients of FAP and MA benefits.
3. On October 16, 2014, Claimant applied for FIP benefits.
4. On November 13, 2014, the Department sent Claimant a Verification Checklist (VCL) requesting, in part, proof of her accounts at ██████████ and ██████████ by November 24, 2014.

5. On December 1, 2014, the Department sent Claimant a Notice of Case Action notifying her that her FIP application was denied and her FAP case was closing effective January 1, 2015.
6. On December 9, 2014, Claimant filed a request for hearing disputing the Department's actions concerning her FIP application and her FAP and MA cases.

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 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.

Claimant requested a hearing disputing and the denial of her FIP application and the closure of her FAP and MA cases.

FIP and FAP

The December 1, 2014 Notice of Case Action notified that her FAP case would close effective January 1, 2015 because she had failed to verify requested information and her FIP application was denied because she had no eligible child in the home and she failed to verify requested information. At the hearing, the Department testified that

Claimant had a minor child in the home. Therefore, to the extent the FIP application was denied due to the absence of an eligible child, the Department did not act in accordance with Department policy.

At the hearing, the Department explained that Claimant's FIP application was denied, and her FAP case closed, because she failed to verify her accounts at [REDACTED] and [REDACTED]. In order to be eligible for FIP and FAP, a client may not have assets, which includes the value of cash in bank accounts, in excess of the asset limit. BEM 400 (January 2015), pp. 1, 14. For FIP, the asset limit is \$3000 for cash, and for FAP, the asset limit is \$5000. BEM 400, p. 5. The Department must verify assets at application, redetermination and when a change is reported. BEM 400, p. 56.

In this case, in connection with her October 16, 2014 FIP application, the Department sent Claimant a November 11, 2014 VCL requesting, in part, verification of her accounts at [REDACTED] and [REDACTED] by November 24, 2014. The Department testified that on December 3, 2014, after the VCL due date and after it had sent Claimant the December 1, 2014 Notice of Case Action advising her that her FIP application was denied and her FAP case was closing, it received (i) an account statement from [REDACTED] with Claimant's name and address, her account number [REDACTED], and a detail of transactions showing that Claimant had a closeout withdrawal on June 30, 2014 and her ending balance was \$0 and (ii) a letter on [REDACTED] letterhead dated November 20, 2014 and signed by a [REDACTED] personal banker confirming that Claimant's [REDACTED] account ending in [REDACTED] was closed on October 1, 2013. Copies of the documents were admitted into evidence (Exhibit 4).

At the hearing, Claimant credibly testified that she submitted the documents concerning her accounts directly to her Department worker on November 21, 2014. She explained that she obtained confirmation from [REDACTED] and [REDACTED] on November 20, 2014 that her accounts at both financial institutions had closed and presented the documents she obtained to her Department worker at interview she had on November 21, 2014. In support of her position, Claimant testified that she received a Family Self-Sufficiency Plan (FSSP) requirement form at the November 21, 2014 interview. A client's receipt of a FSSP is consistent with the FIP interview process as outlined in Department policy. BAM 115 (January 2015), p. 18). Although the Department worker could not recall whether she received the bank documents, she confirmed that she met with Claimant on November 21, 2014. The letter Claimant provided to establish that her [REDACTED] account was closed was dated November 20, 2014, consistent with her testimony that she went to the bank and obtained the requested verification on the day before her November 21, 2014 meeting with her worker. Based on the evidence presented, Claimant has established that she submitted the documents to the Department on November 21, 2014, before the VCL due date.

At the hearing, the Department confirmed the accounts referenced in the documents presented were the accounts at issue. The documents were sufficient to establish that both accounts were closed and that Claimant did not have any bank account assets that

exceeded the FIP or FAP asset limits. Therefore, the Department did not act in accordance with Department policy when it denied Claimant's FIP application and closed her FAP case for failure to verify assets.

At the hearing, there was evidence presented that despite the fact that Claimant filed a timely hearing request and asked that her FAP benefits continue pending the hearing, the Department failed to authorize continued FAP benefits to Claimant. See BAM 600 (October 2014), pp. 23-24. Because this Hearing Decision finds that the Department erred in closing Claimant's FAP case, she is eligible for a supplement for FAP benefits she was eligible to receive during the period her case closed. BAM 406 (July 2013), p. 4.

MA

In her hearing request, Claimant also referenced concerns regarding her MA coverage. At the hearing, Claimant explained that in November 2014, her medical provider, as well as Michigan Enrolls, which is the MA information contact referenced on her MA card, had advised her that she did not have coverage. She further testified that her online case on MIBridges indicated that her MA was denied because she did not have a child under age 6 in her household. She denied ever receiving a Notice of Case Action advising her of changes to her MA case.

The Department did not respond to Claimant's concerns in its hearing summary or the hearing packet. During the hearing, the Department printed an eligibility summary, which it testified showed that Claimant and her child were active MA recipients from November 1, 2014 ongoing. However, the Department also testified that Claimant's MA coverage had changed from Transitional Medicaid (TMA) to Low-Income Family (LIF) after November 1, 2014. Because the Department could not establish the reason for the changes in coverage and in light of Claimant's testimony supporting her concerns that she and her child were not active MA recipients, the Department failed to satisfy its burden of showing that Claimant and her child had MA coverage from November 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 did not act in accordance with Department policy when it closed Claimant's FAP case and denied her FIP application and failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Claimant's and her child's MA cases.

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 FAP case effective January 1, 2014;
2. Reregister and reprocess Claimant's October 16, 2014 FIP application;
3. Notify Claimant in writing of its FIP decision;
4. Issue supplements to Claimant for any FIP and/or FAP benefits she was eligible to receive but did not from October 16, 2014 ongoing; and
5. Provide Claimant and her child with MA coverage for November 1, 2014 ongoing.



Alice C. Elkin
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **1/30/2015**

Date Mailed: **1/30/2015**

ACE / 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;

