

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201434255  
Issue No.: 6001  
Case No.: [REDACTED]  
Hearing Date: April 30, 2014  
County: Wayne (57)

**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 April 30, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Specialist, and [REDACTED], Family Independence Manager.

**ISSUE**

Did the Department properly fail to pay Child Development and Care (CDC) benefits to Claimant's provider?

**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 CDC benefits.
2. On February 6, 2014, the Department sent Claimant a Notice of Case Action advising her that she was approved for CDC benefits for December 29, 2013 to January 11, 2014 and for January 12, 2014 ongoing at a Department pay rate of 100%.
3. On February 26, 2014, the Department sent Claimant a Notice of Case Action advising her that she was approved for CDC benefits for March 23, 2014 ongoing at a Department pay rate of 80%.

4. The Department failed to pay Claimant's provider for CDC benefits for the period between January 12, 2014 and March 22, 2014.
5. On March 26, 2014, the Department sent Claimant a Benefit Notice informing her that she was ineligible for CDC benefits because her income exceeded the CDC income limit.
6. On March 26, 2014, Claimant filed a request for hearing 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).

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.

Additionally, the evidence in this case established that the Department stopped paying Claimant's day care provider CDC benefits as of January 12, 2014. The Department alleged that Claimant's December 2013 income established that she was no longer income eligible for CDC benefits. Groups who are not categorically eligible for CDC benefits (based on protective services, foster care or FIP/EFIP-related situations) may be eligible for CDC if they pass the income eligibility test. BEM 703 (July 2013), pp. 14-16. Claimant's CDC case contained two members: Claimant and her child. BEM 205 (July 2013), p. 1. The CDC income limit for a two-member CDC group is \$1607. RFT 270 (December 2013), p. 1. The Department alleged that Claimant was not eligible for CDC benefits because her gross monthly earned income, based on her December 2013 income, totaled \$1733. However, the Department failed to timely present any evidence regarding the pay information used to calculate Claimant's gross pay. Therefore, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy in closing Claimant's CDC case.

Furthermore, Claimant testified that, after she had been notified that her CDC case was closing in December 2013 for reasons that neither party was able to explain, she reapplied for CDC benefits and was notified that she was approved. The Department acknowledged that it sent her a February 6, 2014 Notice of Case Action approving CDC benefits for Claimant at a pay rate of 100% for the period between December 29, 2013

to January 11, 2014 and for January 12, 2014 ongoing. The Department explained that it could not explain why Claimant's provider was not being paid until, in connection with the March 22, 2014 meeting with Claimant; it reviewed its system and found that, within the system Claimant was identified as income-ineligible for CDC benefits. At that time, it manually generated a Benefit Notice dated March 26, 2014 informing Claimant that her income exceeded the CDC limit.

Department policy provides that CDC case closures take effect on the negative action date. BAM 220 (July 2013), p. 9. Case actions that end a CDC authorization or close the CDC eligibility determination group are not pended; the change affects the first CDC pay period that begins *on or after the negative action date*. BAM 220, p. 9.

In this case, Claimant was not notified of the negative action closing her CDC case until she was sent the March 26, 2014 Benefit Notice. Therefore, only Claimant's CDC benefits after the March 26, 2014 negative action date were negatively affected. Thus, the Department did not act in accordance with Department policy when it denied Claimant's provider the CDC benefits that Claimant was notified that she was eligible to receive between January 12, 2014 and March 26, 2014.

### **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 CDC case effective January 12, 2014;
2. Allow Claimant's CDC provider to bill for CDC services provided on Claimant's behalf between January 12, 2014 and March 25, 2014; and
3. Issue supplements to Claimant's provider for CDC benefits Claimant was entitled to receive between January 12, 2014 and March 25, 2014.

  
**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 16, 2014

Date Mailed: May 16, 2014

**NOTICE OF APPEAL:** The claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely Request for Rehearing or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

Michigan Administrative Hearing System (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. MAHS will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted 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 Department, AHR or the claimant 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 the hearing decision is mailed.

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

ACE/tlf

cc:

