

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

IN THE MATTER OF:



Reg. No.: 14-015420
Issue No.: 2001;3000
Case No.: [REDACTED]
Hearing Date: December 04, 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 December 4, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payment Worker.

ISSUE

Did the Department properly process Claimant's Medical Assistance (MA) benefits and close her Food Assistance Program (FAP) case?

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 February 10, 2014, Claimant submitted an application for MA benefits. (Exhibit 1)
2. On February 27, 2014, the [REDACTED] (DCH) sent Claimant a letter informing her that she was eligible for MA coverage effective February 1, 2014. (Exhibit D)
3. On an unverified date in April 2014, Claimant submitted an application for State Emergency Relief (SER) assistance and MA benefits.

4. On May 15, 2014, the Department sent Claimant a Health Care Coverage Determination Notice informing her that she was eligible for MA effective June 1, 2014, ongoing. (Exhibit E)
5. In July 2014, Claimant requested a hearing concerning the April 2014 applications for SER and MA.
6. At a July 21, 2014, Pre-Hearing Conference, Claimant signed a Hearing Request Withdrawal In Person (DHS-18M) on the basis that the Department corrected the action with respect to her SER case and that the Department informed her they would process her eligibility for MA benefits. (Exhibit 6)
7. Claimant was approved for MA benefits under the Healthy Michigan Plan effective April 1, 2014. (Exhibit 3)
8. Claimant was an ongoing recipient of FAP benefits.
9. On October 23, 2014, the Department sent Claimant a Notice of Case Action informing her that effective December 1, 2014, her FAP case would be closed on the basis that she failed to verify requested information. (Exhibit 4)
10. On October 23, 2014, the Department sent Claimant a Health Care Coverage Determination Notice informing her that effective December 1, 2014, she would be no longer eligible for MA benefits on the basis that she failed to verify or allow the Department to verify requested information. (Exhibit A)
11. On November 13, 2014, the Department sent Claimant a Notice of Case Action informing her that effective December 1, 2014, her FAP case was reopened and she was approved for continued FAP benefits. (Exhibit 5)
12. On October 31, 2014, Claimant submitted a hearing request disputing the Department's actions with respect to the closure of her FAP and MA cases and with respect to the Department's failure to activate MA coverage effective February 1, 2014.

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 the closure of Claimant's FAP case. Shortly after commencement of the hearing, Claimant testified that she understood and was satisfied by the actions taken by the Department and did not wish to proceed with the hearing, as the Department had corrected the action that she requested a hearing on. Claimant confirmed that there was no issue left to be resolved, as the Department had reinstated her FAP case. 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 is, hereby, **DISMISSED**.

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.

MA benefits effective February 1, 2014

When the Department receives an application for assistance, it is to be registered and processed in accordance with Department policies. The date of application is the date the local office receives the required minimum information on an application or the filing form. BAM 110 (January 2014), pp.5-7,18-22. The standard of promptness (SOP) begins the date the department receives an application/filing form, with minimum required information. BAM 115 (January 2014), pp. 1,14-15. 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. 1, 13-19; BAM 220 (January 2014), p. 1.

In this case, on February 10, 2014, Claimant submitted an application for SER and MA benefits. (Exhibit 1). On February 27, 2014, DCH sent Claimant a letter informing her that she was eligible for MA coverage effective February 1, 2014. (Exhibit D). Although the Department testified that the February 10, 2014, application was processed and that Claimant was determined to be ineligible for MA benefits effective February 1, 2014, the Department failed to present a Notice of Case Action or similar notice which informs Claimant of the Department's decision with respect to the application.

At the hearing, there was testimony from both the Department and Claimant establishing that in April 2014, Claimant completed an online application for SER assistance and that she also requested MA benefits with the same application. Claimant presented a May 15, 2014, Health Care Coverage Determination Notice informing her that she was approved for MA effective June 1, 2014, ongoing. (Exhibit E). It was also established at the hearing that in July 2014, Claimant submitted a hearing request disputing the Department's actions with respect to her April 2014 application for SER and MA benefits.

The hearing request was subsequently withdrawn at a July 21, 2014, Pre-Hearing Conference, during which Claimant signed a Hearing Request Withdrawal In Person (DHS-18M) on the basis that the Department corrected the action with respect to her SER case and that the Department informed her they would process her eligibility for MA benefits. (Exhibit 6). Claimant testified that she signed the DHS-18M because she was informed by the Department representative that the Department would activate her MA benefits effective February 1, 2014. While the Department representative at the hearing disputed Claimant's testimony that she would activate Claimant's MA benefits effective February 1, 2014, the Department representative did testify that she informed Claimant that if Claimant submitted a withdrawal, the Department would review Claimant's case and determine Claimant's eligibility for MA. The Department testified that at the Pre-Hearing Conference, Claimant's eligibility for MA was processed and the Department determined that Claimant was eligible for MA benefits effective April 1, 2014, rather than effective June 1, 2014, as the above referenced Health Care Coverage Determination Notice indicated. This is not in accordance with Department policy, however, as the Department is not to accept a withdrawal based on an action that will be taken in the future. BAM 600 (July 2014), p. 26.

Claimant, relying on the letter received from DCH argued that she was approved for MA benefits effective February 1, 2014, and requested that the Department activate coverage effective February 1, 2014. The DCH letter alone is insufficient to establish that the Department determined that Claimant was eligible and approved for MA benefits or that the Department properly processed the February 10, 2014, MA application, however. Although the Department presented evidence that Claimant had active MA benefits effective April 1, 2014, under the Healthy Michigan Plan, the Department failed to present sufficient evidence to establish that Claimant's eligibility for MA benefits from February 1, 2014 to March 31, 2014, was properly determined. The Department also failed to present sufficient evidence that the February 10, 2014, application was registered and processed in accordance with the Department policies and that Claimant was properly notified of the Department's decision. See BAM 110 and BAM 115;(Exhibit 3).

Thus, the Department's testimony that Claimant was ineligible for MA benefits for the period between February 1, 2014 and March 31, 2014 was unsupported by any documentary evidence. As such, the Department failed to properly process Claimant's February 10, 2014, application for MA benefits. Claimant is informed that should the

Department find her ineligible for MA effective February 1, 2014, after reprocessing the application, Claimant is entitled to request a hearing and have that issue resolved.

Case closure effective December 1, 2014

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (October 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, p. 3. Although the client must obtain the required verification, the Department must assist if a client needs and requests help. If neither the client nor the Department can obtain the verification despite a reasonable effort, the Department is to use the best available information; and if no evidence is available, the Department is to use its best judgment. BAM 130, p. 3.

With respect to MA cases, clients are given 10 calendar days to provide the verifications requested by the Department. BAM 130, pp.7-8. If the client cannot provide the verification despite a reasonable effort, the Department is to extend the time limit to submit the verifications up to three times. BAM 130, p. 7-8. Verifications are considered to be timely if received by the date they are due. BAM 130, p.4-8 The Department will send a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, p. 8.

In this case, Claimant submitted a hearing request disputing the closure of her MA case effective December 1, 2014, on the basis that she failed to verify or allow the Department to verify requested information. (Exhibit A). Claimant testified that she turned in all of the requested verifications and that the Department's closure of her MA case was improper. Claimant further stated that her FAP case was initially closed for the same reason; however, the Department corrected the action and reinstated her FAP case because the Department had located the verifications at issue and determined that they were timely submitted.

At the hearing, the Department representative did not have any information concerning the closure of Claimant's MA case effective December 1, 2014, and stated that she was no longer Claimant's case worker so she did not know why the case closed. The Department failed to present any evidence that a VCL was issued or that Claimant did not submit requested verifications by the due date.

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 closed Claimant's MA case effective December 1, 2014, based on a failure to verify requested information.

DECISION AND ORDER

Accordingly, the hearing request with respect to FAP is DISMISSED and the Department's MA decision is REVERSED with respect to the failure to process the February 10, 2014, MA application and with respect to the closure of Claimant's MA case effective December 1, 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. Reinstate Claimant's MA case effective December 1, 2014;
2. Issue supplements to Claimant for MA benefits from December 1, 2014, ongoing;
3. Register and process Claimant's February 10, 2014, application for MA benefits to determine her eligibility for MA benefits from February 1, 2014, to March 31, 2014;
4. Issue supplements to Claimant for MA benefits that she was entitled to receive but did not from February 1, 2014, to March 31, 2014; and
5. Notify Claimant in writing of its decision with respect to her MA eligibility for February 1, 2014 to March 31, 2014.



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

Date Signed: **12/11/2014**

Date Mailed: **12/11/2014**

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 48909-8139

cc:

