

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-005389
Issue No.: 1008, 3007
Case No.: [REDACTED]
Hearing Date: June 3, 2015
County: Wayne (76)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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, an in-person hearing was held on June 3, 2015 from Detroit, Michigan. Participants included the above-named Claimant, [REDACTED], Claimant's mother, testified and appeared as Claimant's authorized hearing representative (AHR). Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included [REDACTED], specialist, [REDACTED], PATH coordinator, and [REDACTED], PATH coordinator.

ISSUE

The issue is whether Claimant is entitled to an administrative review concerning the funding source of her Family Independence Program (FIP) eligibility.

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 Food Assistance Program (FAP) and FIP benefit recipient.
2. MDHHS medically deferred Claimant from participation in employment-related activities.
3. On [REDACTED], MDHHS mailed to Claimant a Notice of Case Action (Exhibits 1-4) informing Claimant of a termination of FIP eligibility, effective April 2015, based on alleged Claimant noncompliance with employment-related activities.

4. On [REDACTED] MDHHS mailed to Claimant a Notice of Case Action (Exhibits 1-4) informing Claimant of a reduction in FAP eligibility to \$194, effective April 2015, based on alleged Claimant noncompliance with employment-related activities and an unspecified failure to verify information.
5. On [REDACTED] MDHHS reinstated Claimant's FAP and FIP eligibility and removed any related penalty concerning employment-related activities.
6. On [REDACTED], Claimants requested a hearing to dispute the reduction in FAP benefits and termination of FIP benefits.

CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193, and 42 USC 601 to 679c. MDHHS (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10 and 400.57a and Mich Admin Code, R 400.3101 to .3131. MDHHS policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. MDHHS (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011. MDHHS policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

Claimant requested a hearing to dispute a termination of FIP benefits and a reduction in FAP benefits. It was not disputed that both actions were precipitated by a determination that Claimant was noncompliant with employment-related activities.

Federal and state laws require each work eligible individual (WEI) in the FIP group to participate in Partnership. Accountability. Training. Hope. (PATH) or other employment-related activity unless temporarily deferred or engaged in activities that meet participation requirements. BEM 230A (January 2015), p. 1. These clients must participate in employment and/or self-sufficiency related activities to increase their employability and obtain employment. *Id.*

MDHHS conceded that the actions taken to Claimant's FAP and FIP eligibility were improper. MDHHS testimony clarified that Claimant should have been medically deferred from PATH participation, at least until Claimant was given an opportunity to verify a continuing basis for the deferral. The MDHHS testimony was consistent with presented facts and policy. It is found that MDHHS improperly determined Claimant to be noncompliant with employment-related activities.

The MDHHS Hearing Summary and hearing testimony both alleged that Claimant's FIP and FAP eligibility were fully reinstated. Claimant conceded that she has not experienced an interruption in FAP or FIP benefits, including those from April 2015, the first month that MDHHS threatened to affect Claimant's eligibility. It is possible that Claimant did not experience an interruption in benefits because MDHHS revoked their improper action. Another explanation is that MDHHS suspended the negative actions because of Claimant's timely submitted hearing request (see BAM 600). During the hearing, MDHHS was asked to provide documentation verifying that the previously imposed employment-related action was revoked. In response, MDHHS presented a Non-Cooperation Summary (Exhibit 5). The Non-Cooperation Summary stated that an unverified event interfered with Claimant's ability to participate with an employment activity on [REDACTED]. MDHHS contended that the provided document was definitive proof that Claimant was not penalized. The MDHHS contention fails to explain why MDHHS mailed Claimant a notice of FIP termination and FAP reduction the following day. Based on presented evidence, it is found that MDHHS failed to verify a revocation of the employment-related disqualification against Claimant dated [REDACTED], [REDACTED].

The Notice of Case Action (Exhibits 1-4) concerning Claimant's FAP eligibility also stated that MDHHS reduced Claimant's FAP eligibility due to an alleged failure by Claimant to verify information. MDHHS presented no specifics of what Claimant allegedly failed to verify, or how the failure affected Claimant's FAP eligibility. Based on the total absence of evidence, MDHHS will be ordered to redetermine Claimant's FAP eligibility for April 2015.

Claimant's mother also raised a dispute concerning the funding source of her daughter's FIP eligibility. Claimant's mother contended that her daughter should receive state-funded, not federally-funded, FIP benefits. The funding source does not alter the amount of FIP benefits which Claimant receives. The funding source may affect when Claimant reaches the lifetime limit for receiving FIP benefits from a particular source.

The Michigan Administrative Hearing System may grant a hearing about any of the following:

- denial of an application and/or supplemental payments;
- reduction in the amount of program benefits or service;
- suspension or termination of program benefits or service
- restrictions under which benefits or services are provided;
- delay of any action beyond standards of promptness; or

- the current level of benefits or denial of expedited service (for Food Assistance Program benefits only).
BAM 600 (January 2015), p. 6.

Clients are not entitled to dispute a funding source of benefits until that source affects a client's eligibility for that program. For example, if or when MDHHS terminates Claimant's FIP eligibility because she reached her limit of lifetime federally-funded or state-funded FIP benefits, then Claimant may raise the issue of whether MDHHS properly determined the proper funding source for those benefits. Claimant's hearing request is dismissed concerning the issue of FIP benefit funding source.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that Claimant is not entitled to a hearing to dispute the funding source of ongoing FIP eligibility. Claimant's hearing request is **PARTIALLY DISMISSED**.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS failed to verify reinstating Claimant's FIP and FAP eligibility. It is further found that MDHHS failed to justify a reduction in Claimant's FAP benefits based on a failure to verify information. It is ordered that MDHHS perform the following actions:

- (1) reinstate Claimant's FIP and FAP eligibility, effective April 2015, subject to the finding that Claimant was compliant with employment-related activities;
- (2) redetermine Claimant's FAP eligibility, effective April 2015, subject to the finding that MDHHS insufficiently proved that Claimant failed to verify information; and
- (3) remove any relevant employment-related disqualification from Claimant's disqualification history.

The actions taken by MDHHS are **REVERSED**.



Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **6/10/2015**

Date Mailed: **6/10/2015**

CG / hw

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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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:

