

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 15-004647  
Issue No.: 2000; 3000; 6001  
Case No.: 103287115  
Hearing Date: April 27, 2015  
County: Wayne-District 17

**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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on April 27, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Family Independence Manager, and ██████████, Eligibility Specialist.

**ISSUE**

Did the Department properly process Claimant's Child Development and Care (CDC) 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. Claimant was an ongoing recipient of CDC benefits.
2. On March 19, 2015, the Department sent Claimant a Notice of Case Action notifying her that her CDC cases for her children ██████████ (A) and ██████████ (M) were closing effective April 5, 2015, because (i) Claimant lacked a need for CDC benefits and (ii) her gross income exceeded the gross income limit for CDC eligibility. The Notice did not indicate the status of the children's CDC cases for January 25, 2015, to April 4, 2015.

3. On March 28, 2015, Claimant filed a request for hearing disputing the Department's actions concerning her CDC, Medical Assistance (MA) and Food Assistance Program (FAP) cases.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

As a preliminary matter, it is noted that, although Claimant requested a hearing on March 26, 2015, concerning her FAP, MA and CDC cases, at the hearing she testified that her concerns regarding her FAP and MA cases had been addressed to her satisfaction and she did not wish to pursue a hearing concerning those cases. Accordingly, Claimant's hearing request concerning her FAP and MA issues is dismissed. The hearing proceeded to address the merits of Claimant's CDC issue.

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.

At the hearing, Claimant testified that she was concerned about (i) the Department's closure of the CDC cases for A and M effective April 5, 2015, and (ii) the Department's failure to issue CDC payments to her provider for the two week period prior to April 5, 2015. The March 19, 2015, Notice of Case Action advised Claimant that her CDC cases for A and M were closing effective April 5, 2014, because Claimant lacked a need for such benefits and because her gross income exceeded the gross income limit for CDC eligibility. At the hearing, the Department acknowledged that Claimant had a need for CDC benefits based on employment. Therefore, to the extent the Department closed Claimant's CDC case due to lack of need, the Department did not act in accordance with Department policy. BEM 703 (November 2014), pp. 1, 4, 11-13.

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, pp. 14-16. Claimant's CDC case contained four members: Claimant and her three children. BEM 205 (July 2013), p. 1. The CDC income limit for a four-member CDC group is \$2367. RFT 270 (August 2014), p. 1.

At the hearing, the Department acknowledged that it was not clear what income information had been used to calculate Claimant's CDC eligibility. Because the Department failed to establish that Claimant's gross income exceeded the applicable CDC limit for eligibility, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy in closing Claimant's CDC case.

Claimant was also concerned because the Department had failed to issue payment to her provider for the two-week period prior to April 5, 2015, which would run from March 22, 2015, to April 4, 2015. The Department testified that its system showed that Claimant was eligible for CDC benefits during this period and there was no reason for the provider to be denied payment. Therefore, to the extent Claimant's provider billed the Department for services rendered for A and M between March 22, 2015, and April 4, 2015, the Department did not act in accordance with Department policy for failing to pay the provider. See BEM 706 (August 2014), p. 3.

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 CDC case effective April 5, 2015, and failed to issue payment to Claimant's provider for March 22, 2015, to April 4, 2015, for services billed in accordance with Department policy.

### **DECISION AND ORDER**

Claimant's March 26, 2015, hearing request concerning her FAP and MA cases is DISMISSED.

The Department's CDC 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 April 5, 2015;
2. Recalculate Claimant's CDC eligibility for April 5, 2015, ongoing;
3. Allow Claimant's CDC provider to bill for services rendered between March 22, 2015, to April 4, 2015, and, if Claimant is eligible for ongoing benefits, for April 5, 2015, ongoing; and
4. Issue supplements for CDC benefits Claimant was eligible to receive but did not from March 22, 2015, ongoing; and

5. Notify Claimant in writing of its decision regarding her CDC eligibility for April 5, 2015, ongoing.



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

Date Signed: **5/5/2015**

Date Mailed: **5/5/2015**

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 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.

