

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

**IN THE MATTER OF:**

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

Reg. No.: 15-008479  
Issue No.: 2000;3002;6001  
Case No.: ██████████  
Hearing Date: June 25, 2015  
County: Macomb-District 20

**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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on June 25, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearings Facilitator.

**ISSUE**

Did the Department properly process Claimant's Medical Assistance (MA); Child Development and Care (CDC); and Food Assistance Program (FAP) benefits?

**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 March 30, 2015, Claimant submitted an application for CDC benefits. (Exhibit A)
2. Claimant was an ongoing recipient of FAP and MA benefits.
3. On May 18, 2015, the Department sent Claimant Notice of Case Action informing her that she was approved for CDC benefits for the period of March 22, 2015, through April 4, 2015, but denied CDC benefits for April 5, 2015, ongoing, on the basis that she did not have a need for CDC benefits. (Exhibit C)

4. The May 18, 2015, Notice of Case Action also informed Claimant that effective June 1, 2015, her FAP case would be closed on the basis that she failed to give proof of information that the Department had requested. (Exhibit C)
5. There was no negative action taken with respect to Claimant's MA benefits as she had active and ongoing MA coverage.
6. On May 22, 2015, Claimant requested a hearing disputing the Department's actions with respect to her MA, CDC, and FAP benefits.

### **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).

#### **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 Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Additionally, MAHS may grant a hearing about a 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 or delay of any action beyond the standards of promptness. BAM 600 (April 2015), pp.4-5.

The hearing was requested to dispute the Department's action taken with respect to Claimant's MA benefits. Shortly after commencement of the hearing, Claimant testified that she requested a hearing concerning her MA case because she thought her case was closed. Claimant stated that she later checked her eligibility and found out that she had active and ongoing MA coverage. Claimant confirmed that she did not receive any notices from the Department informing her that her MA case would be closed. The Department testified that both Claimant and her son had active MA benefits under an SSI based program. Claimant stated that she no longer needed a hearing concerning her MA case. Accordingly, Claimant's hearing request with respect to MA is **DISMISSED**.

### CDC

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.

Unless a CDC group is categorically eligible for CDC benefits because the group has an open children's protective services case, the child needing care has an active Department foster care case, or the child needing care (or the parent of the child needing care) receives Family Independence Program (FIP) or Supplemental Security Income (SSI) benefits, the CDC group is eligible for CDC benefits only if income-eligible based on the CDC group size and if a valid need reason exists. BEM 703 (November 2014), pp. 11-13. A valid need exists if the parent is unavailable to provide the care because of family preservation, high school completion, an approved activity or employment. BEM 703, pp 3-4, 5-12. The DHS-4575, Child Care Family Preservation Need Verification must be used to document this child care need and must be completed at application. BEM 703, pp. 5-8.

In this case, Claimant was previously receiving CDC benefits under the need reason of family preservation. For an unexplained reason and on an unverified date, Claimant's CDC case closed and she submitted a new application for CDC benefits on March 30, 2015. (Exhibit A). A review of the application establishes that Claimant indicated she was requesting CDC assistance due to a treatment for health or social condition and that she and her son were receiving SSI benefits. (Exhibit A). On May 18, 2015, the Department sent Claimant a Notice of Case Action informing her that the CDC application was denied on the basis that she did not have a need for CDC benefits due to employment, education, or family preservation reasons. (Exhibit C).

At the hearing, the Department acknowledged that it did not send Claimant a DHS-4575 when processing her application so that Claimant could verify her need for CDC benefits as required by policy and instead relied on old information in denying Claimant's application. Therefore, because Claimant should be categorically eligible for CDC on the basis of receiving SSI benefits, the Department should have given Claimant an opportunity to verify her need for CDC benefits prior to denying her application.

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 denied Claimant's CDC application on the basis that she did not have a valid need reason.

## **FAP**

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. The Department (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.

Additionally, 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 FAP cases, clients are given 10 calendar days to provide the verifications requested by the Department. Verifications are considered to be timely if received by the date they are due. BAM 130, pp.6-7. The Department sends a negative action notice when the client indicates a refusal to provide a verification or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, pp.6- 7.

In this case, the Department initially testified that when Claimant submitted her application for CDC benefits, the Department needed to verify Claimant's current bank assets to determine her ongoing FAP benefit eligibility. The Department testified that because Claimant did not return proof of her bank assets by the due date, it sent her a Notice of Case Action informing her that effective June 1, 2015, her FAP case would be closed. (Exhibit C). Later in the hearing, the Department acknowledged that it did not send Claimant a VCL requesting that she return any verifications and that the closure based on a failure to verify was improper. Claimant stated that she never received a VCL or other request from the Department informing her to submit required proofs.

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 because the Department did not send Claimant a VCL informing her what verifications were being requested and the due date, the Department did not act in accordance with Department policy when it determined that Claimant failed to verify or allow the Department to verify information necessary to determine eligibility and subsequently closed her FAP case.

**DECISION AND ORDER**

Accordingly, the hearing request with respect to MA is **DISMISSED** and the Department's CDC and FAP decisions are **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. Register and process Claimant's March 30, 2015, CDC application;
2. Issue CDC supplements to Claimant and her CDC provider from the application date ongoing, in accordance with Department policy;
3. Reinstate Claimant's FAP case effective June 1, 2015;
4. Issue FAP supplements to Claimant from June 1, 2015; ongoing; and
5. Notify Claimant of its decisions in writing.



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**Zainab Baydoun**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **7/2/2015**

Date Mailed: **7/2/2015**

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 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:

[REDACTED]