

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

IN THE MATTER OF:

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████████████████████

Reg. No.: 15-008717
Issue No.: 1002; 3002
Case No.: ██████████
Hearing Date: July 09, 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 July 9, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Eligibility Specialist. ██████████, an agency translator for the Department, served as Arabic/English interpreter.

ISSUE

Did the Department properly process Claimant's change report for his Family Independence Program (FIP) 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 FIP benefits.
2. In the redetermination submitted to the Department on February 25, 2015, Claimant reported that he had no employment income (Exhibit D).
3. Claimant's redetermination included a letter from ██████████ dated February 16, 2015, that Claimant had left work due to a change in management (Exhibit F).
4. On March 4, 2015, the Department sent Claimant a Verification Checklist (VCL) requesting verification of end of employment at ██████████ and ██████████ ██████████ by March 16, 2015 (Exhibits H, I, J).

5. On March 19, 2015, in response to the VCL, Claimant submitted a Verification of Employment with a hand-written notation that he was not familiar with [REDACTED] but he had worked for [REDACTED] in Dearborn and it was shut down (Exhibit K), a paystub from [REDACTED] (Exhibit L), and a payroll journal from [REDACTED] showing his pay for October 2014 (Exhibit M).
6. The Department concluded that the submitted verifications were inadequate to establish the end of income, but issued FIP benefits to Claimant while continuing to process the case.
7. After a meeting with Claimant on April 17, 2015, the Department recalculated Claimant's FIP budget based on verification that his employment with [REDACTED] ended December 19, 2014, and his employment with [REDACTED] ended February 11, 2015. The new budget included Claimant's employment income from [REDACTED], the new owners of [REDACTED], where Claimant began working on April 10, 2014 (Exhibit O).
8. On April 20, 2015, the Department sent Claimant a Notice of Case Action notifying him that his monthly FIP benefits were increasing to \$587 in May 2015 and to \$589 effective June 1, 2015, ongoing.
9. On March 4, 2015, and May 18, 2015, Claimant filed a request for hearing disputing the Department's actions concerning his FIP 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).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Department of Human Services) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101-.3131.

In his May 18, 2015, hearing request, Claimant requested a hearing concerning both his FIP and FAP benefits. At the hearing, Claimant testified that he was satisfied with the Department's actions concerning his FAP case. Accordingly, his hearing request concerning FAP is dismissed. Claimant explained that his concern regarding his FIP case was the Department's failure to process his reported change of loss of

employment and increase his FIP benefits for the period he was not employed, from February 2015 to April 2015.

The Department is required to complete a budget when it is made aware of a change in the client's income that will affect eligibility or benefit level. BEM 505 (July 2014), p. 9. Income decreases that result in a FIP benefit increase must affect the month **after** the month the change is reported or occurred, whichever is earlier, provided the change is reported timely. BEM 505, p. 9. Changes are not processed for a month earlier than the month the change occurred, and supplements are not issued to correct underissuances caused by the group's failure to report timely. BEM 505, pp. 9-10.

In this case, the Department credibly testified that it first became aware that Claimant was no longer employed when he submitted his redetermination on February 25, 2015. Therefore, any changes to Claimant's FIP case would affect, at earliest, his March 2015 FIP benefits. Before the Department can process a change that will result in a benefit increase, it must ask the client to verify the change. BEM 505, p. 13. The client must verify requested information within 10 calendar days. BAM 130 (October 2014), p. 6.

In this case, Claimant submitted with his February 25, 2015, redetermination a letter dated February 16, 2015, purportedly from the manager at [REDACTED] stating that Claimant had left work due to a change of management. On March 4, 2015, the Department sent Claimant a VCL asking for verification of his end of employment at [REDACTED], the employer of record, and [REDACTED], the employer identified by Claimant at his redetermination interview (Exhibit P). In the VCL, the worker asked Claimant to have a verification of employment completed by each employer. She also advised him that she needed (i) all pay from [REDACTED] and (ii) because a client could be penalized for FIP for voluntarily leaving employment, verification from [REDACTED] that he had not quit. BEM 233A (May 2015), pp. 3-4, 8.

Claimant responded with Verification of Employment with a hand-written notation that he was not familiar with [REDACTED] but he had worked for [REDACTED] in Dearborn and it was shut down (Exhibit K), a paystub from [REDACTED] (Exhibit L), and a payroll journal from [REDACTED] showing his pay for October 2014 (Exhibit M). The evidence at the hearing established that [REDACTED] were the same entity. The documents provided concerning [REDACTED] [REDACTED] indicating that the restaurant was no longer in business would, in the absence of any discrepancy, be the best available information that Claimant was no longer employed at [REDACTED]. BAM 10 (October 2014), p. 3. However, the documents Claimant submitted on March 19, 2015 were not adequate to establish his end date of employment at [REDACTED], his final income, and the reasons for the end of employment. Therefore, the Department acted in accordance with Department policy when it did not process Claimant's reported change for March 2015 based on the inadequate verifications it received.

According to the Department, Claimant was subsequently re-employed at [REDACTED] under new management, [REDACTED], in April 2015. The Department testified that on April 15, 2015, it received a completed verification of employment, DHS-38, from the [REDACTED]. At that time it recalculated Claimant's FIP budget, removing any income from [REDACTED] and from [REDACTED], and adding the income for the [REDACTED] owned by [REDACTED]. Because this change was reported and verified in April 2015, it properly affected Claimant's May 2015 FIP case, as shown on the May 20, 2015, Notice of Case Action (Exhibit N).

Because the changes in Claimant's employment were not verified until April 2015, the Department acted in accordance with Department policy when it recalculated Claimant's FIP budget to affect May 2015 ongoing benefits.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.



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

Date Signed: **7/20/2015**

Date Mailed: **7/20/2015**

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.

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]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]