

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

IN THE MATTER OF:

[REDACTED]
[REDACTED]
[REDACTED]

Reg. No.: 15-011851
Issue No.: 2001; 3001
Case No.: [REDACTED]
Hearing Date: August 17, 2015
County: Wayne-District 35

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 August 17, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly close Claimant's Food Assistance Program (FAP) and not reregister her FAP application?

Did the Department properly issue FAP benefits to Claimant for February 23, 2015 to March 31, 2015?

Did the Department properly close Claimant's Medical Assistance (MA) case?

Did the Department properly deny Claimant's May 4, 2015, MA application?

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 23, 2015, Claimant applied for FAP and MA benefits.
2. Claimant was approved for expedited FAP benefits effective February 23, 2015.

3. The Department activated MA coverage for Claimant under the Healthy Michigan Program effective February 1, 2015 (Exhibit D).
4. On March 24, 2015, the Department sent Claimant a Verification Checklist (VCL) requesting, among other things, verification of her self-employment income by April 3, 2015 (Exhibit F).
5. Claimant did not timely respond to the March 24, 2015, VCL.
6. On an unknown date, the Department sent Claimant a Health Care Coverage Determination Notice notifying her that her MA case was closing effective May 1, 2015.
7. On April 15, 2015, the Department sent Claimant a Notice of Case Action notifying her that her FAP case was closing effective April 1, 2015, because she had failed to verify self-employment income (Exhibit C).
8. On May 4, 2015, Claimant reapplied for MA benefits.
9. On June 4, 2015, the Department notified Claimant that she was approved for \$41 in FAP benefits for February 2015 and \$194 in monthly FAP benefits for March 2015 but her ongoing eligibility was subject to timely providing information requested in the VCL (Exhibit 1).
10. On June 4, 2015, the Department sent Claimant a VCL requesting verification of self-employment income (Exhibit A).
11. On June 17, 2015, the Department sent Claimant a Health Care Coverage Determination Notice denying her MA application (Exhibit B).
12. On July 2, 2015, Claimant filed a request for hearing disputing the Department's actions concerning her FAP case and MA application.

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).

FAP Case

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.

Case Closure

Following a February 23, 2015, FAP application, Claimant was approved for expedited FAP benefits pending verification of additional requested documentation.

FAP applicants are eligible for expedited service if they provide minimum required verifications. BAM 117 (July 2014), pp. 1-3. FAP groups that do not provide all additional required verifications are not issued benefits for subsequent months until they provide the waived verification or complete a redetermination. BAM 117, p. 5. If the client fails to verify requested information by the 10th day following the request (or by the extended date, if granted), the benefit period will expire at the end of the expedited month unless the verification is returned within 30 days of the date of the application in which case the application is subject to subsequent processing. BAM 117, p. 5. If the verifications are returned between 31 and 60 days after the application was filed, the Department reregisters the application using the date the client completed the process, and if the client is eligible, the Department prorates benefits from the date the client complied. BAM 115 (January 2015), p. 23.

In this case, the Department testified that Claimant's ongoing FAP eligibility was denied because she failed to verify her self-employment income. A VCL requesting this verification was sent to Claimant on March 24, 2015, with verifications requested by April 3, 2015. Claimant admitted at the hearing that she did not timely provide her tax records by April 3, 2015, because they were not yet completed. However, she testified that she provided the documents to her worker after the due date. Although she could not identify exactly when she provided the documents, she testified that her worker had them when she reapplied for MA on May 4, 2015, because he advised her at that time that she did not have to resubmit the forms. The Department acknowledged that it had received the tax form, which were sufficient verification of self-employment income (see BEM 502 (August 2014), p. 7) but could not identify when the document was received. The evidence presented was sufficient to establish that Claimant submitted the tax forms to verify self-employment income by May 4, 2015, at the latest. Therefore, the Department did not act in accordance with Department policy when it failed to reregister and subsequently process Claimant's FAP application, prorating benefits from May 4, 2015.

February and March 2015 FAP Benefits

At the hearing, Claimant also indicated that, because she had never received her FAP electronic balance transfer (EBT) card and was not made aware of her FAP approval for February 2015 and March 2015 until she received the June 4, 2015, Notice of Case Action, she had not used any of the FAP benefits that she was advised she was eligible to receive for February and March 2015. The Department established that FAP benefits were issued to Claimant for February and March 2015 and that, consistent with

Claimant's testimony, none of the issued benefits were used (Exhibit G). It is unclear whether an EBT card was ever issued to Claimant in connection with the February 2015 application (Exhibit G, p. 2).

When a client is approved for FAP benefits, the Department's EBT vendor, [REDACTED] mails a Bridge card to the client. BEM 401E (July 2014), p. 2. If the card is lost, the client is entitled to request a Bridge card replacement from [REDACTED] by calling the Interactive Voice Response Unit in accordance with BEM 401E (July 2014), pp. 6-7. In this case, Claimant had not contacted the Interactive Voice Response Unit as of the hearing date. Because the Department established that it issued benefits, the Department acted in accordance with policy. Because Claimant had not been denied a replacement Bridge card, she was not an aggrieved party as of the hearing date with respect to her receipt of the February and March 2015 FAP benefits. She is advised that, in the event she is unable to secure a EBT card after contacting [REDACTED], she may request another hearing.

MA Application

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.

The eligibility summary in Claimant's case shows that Claimant was initially approved for MA benefits under the February 23, 2015, application (Exhibit D). While the Department's initial basis for its approval of Claimant's application is unclear, the evidence established that the Department requested verification of Claimant's self-employment income on March 24, 2015 (Exhibit F). Claimant admitted at the hearing that she did not timely respond to the March 24, 2015 VCL. Therefore, the Department properly closed Claimant's MA case effective May 1, 2015.

The Department testified that it denied Claimant's May 5, 2015, MA application because Claimant had failed to verify her self-employment income. While Claimant's testimony established that she did not provide her tax forms in response to the June 4, 2015, VCL, the evidence, as discussed above, established that she had provided them by May 4, 2015. Because Claimant provided the Department with the verifications prior to the June 4, 2015, VCL date, the Department did not act in accordance with Department policy when it denied Claimant's MA case for failure to provide verification of self-employment income.

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 acted in accordance with Department policy when it issued FAP benefits for February 2015 and

March 2015 FAP benefits and closed Claimant's MA case effective May 1, 2015, but did not act in accordance with Department policy when it failed to reregister Claimant's FAP application and denied Claimant's May 4, 2015, MA application.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to issuance of FAP benefits for February 2015 and March 2015 and closure of Claimant's MA case effective May 1, 2015, and **REVERSED IN PART** with respect to closure of Claimant's FAP case and denial of her May 4, 2015, MA application.

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. Reregister and reprocess Claimant's May 4, 2015, MA application;
2. Reregister and reprocess Claimant's February 23, 2015, FAP application for FAP eligibility and benefits with an effective date of May 4, 2015;
3. Issue supplements to Claimant for FAP and MA benefits she was eligible to receive but did not from May 4, 2015, ongoing; and
4. Notify Claimant in writing of its decision.



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

Date Signed: **8/26/2015**

Date Mailed: **8/26/2015**

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

CC: