

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

IN THE MATTER OF:

[REDACTED]

MAHS Reg. No.: 15-015210
Issue No.: 6001
Agency Case No.: [REDACTED]
Hearing Date: October 14, 2015
County: MACOMB-DISTRICT 12
(MT CLEMENS)

ADMINISTRATIVE LAW JUDGE: Gary Heisler

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 October 14, 2015, from Lansing, Michigan. Participants on behalf of Claimant included herself. Participants on behalf of the Department of Health and Human Services (Department) included Hearing Facilitator [REDACTED].

ISSUE

Did the Department properly deny Claimant's July 10, 2015 application for Child Development and Care (CDC) 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 July 10, 2015, Claimant submitted an application for Child Development and Care (CDC) benefits. Claimant's benefit group consists of herself and her two children.
2. On August 11, 2015, Claimant was sent a Notice of Case Action (DHHS-1605) which stated her application was denied for excess income.
3. On August 12, 2015, Claimant submitted a hearing request.

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 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.

Bridges Eligibility Manual (BEM) 703 CDC Program Requirements provides guidance for Child Development and Care (CDC) eligibility. Claimant does not meet the criteria for one of the categorically eligible groups. Claimant's eligibility should be determined under the "income eligible" group criteria. BEM 703, page 14 states:

If the program group does not qualify for one of the categorically eligible groups, determine eligibility for the income-eligible group.

Eligibility for this group is based on program group size and non-excluded income received by any member of the program group; see program group definition in BEM 205. At application, the program group's gross income must not exceed 95% of the income eligibility scale in RFT 270.

RFT 270 was reviewed during this hearing. Nothing in the table identifies exactly what the "income eligibility scale" is. The Department representative testified that Claimant is not eligible because her income exceeds 95% of the income range for a group of 3 to receive 95% of CDC rate paid. That income range goes from \$0 to \$1,990. Claimant's gross income was calculated to be \$[REDACTED].

The table in RFT 270 shows that there are 6 separate income ranges for each different group size. The 6 income ranges correspond to receiving 95%, 90%, 80%, 70%, 50%, and 30% of CDC rate paid. For a group of 3, the corresponding income ranges are: \$0 - 1990 for 95%; \$1991 - 2407 for 90%; \$2408 - 2823 for 80%; \$2824 - 3239 for 70%; \$3240 - 3655 for 50%; and \$3656 - 4069 for 30%. The entire income range for any CDC eligibility of a group of 3 goes from \$0 - 4069.

The Department's contention is that the lowest income range of 6 different ranges is the entire income scale for a group size. Nothing was found in policy which supports that conclusion. Neither does the contention make any sense. Interpretation of the policy

and the table identifies the "income eligibility scale" the entire income range for all 6 percentages of CDC paid rate. For a group of 3 that would be \$0 – 4069. 95% of the "income eligibility scale" for a group of 3 is ($\$4069 \times 0.95 =$) \$3865.

Review of the Child Development and Care (CDC) financial eligibility budget raises the suspicion that the requirement not to exceed 95% of the income eligibility scale has been misconstrued as not exceeding the 95% of CDC rate paid income range.

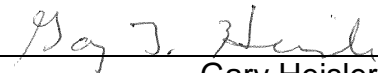
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it denied Claimant's July 10, 2015 application for Child Development and Care (CDC) benefits.

DECISION AND ORDER

Accordingly, the Department's 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. Reregister Claimant's July 10, 2015 Child Development and Care (CDC) application and reprocess it in accordance with Department policy.



Gary Heisler

Administrative Law Judge
for Nick Lyon, Director

Department of Health and Human Services

Date Signed: **10/26/2015**

Date Mailed: **10/26/2015**

GFH/ 

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:

