

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

IN THE MATTER OF:

██████████
██████████
██████████

MAHS Reg. No.: 15-024144
Issue No.: 2001; 3001
Agency Case No.: ██████████
Hearing Date: February 16, 2016
County: Wayne-District 15
(Greydale)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

Following Petitioner'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 February 16, 2016, from Detroit, Michigan. Petitioner appeared and represented herself. The Department was represented by ██████████, Assistance Payment Worker.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) case?

Did the Department properly process Petitioner's Medicaid (MA) 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. Petitioner was an ongoing recipient of FAP and MA benefits.
2. On February 9, 2015, the Department notified Petitioner that she had been overissued FAP benefits for November 1, 2014 to December 31, 2014 and was subject to a recoupment action (Exhibit G)
3. On March 2, 2015, the Department received Petitioner's hearing request concerning a FAP overissuance and recoupment (Exhibit G).
4. On March 23, 2015, the Department received Petitioner's signed Hearing Request Withdrawal to the recoupment hearing (Exhibit H).

5. The Michigan Administrative Hearing System (MAHS) received the hearing withdrawal and dismissed Petitioner's hearing request in a March 26, 2015 order.
6. On October 15, 2015, the Department sent Petitioner two Wage Match Client Notices concerning Petitioner's husband's employment with [REDACTED] and [REDACTED] from April 1, 2015 to present and requesting that the completed forms be returned by November 16, 2015 (Exhibit B).
7. Petitioner did not return the requested forms but did submit checkstubs from [REDACTED] on November 12, 2015 (Exhibits C and D).
8. On December 17, 2015, the Department sent Petitioner a Notice of Case Action notifying her that her FAP case would close effective January 1, 2016 because she had failed to verify requested information.
9. On December 30, 2015, the Department received Petitioner's request for hearing disputing the closure of her FAP case and the FAP recoupment.

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 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.

Petitioner requested a hearing to dispute a FAP recoupment and the closure of her FAP case. On the first page of her hearing request, she also identified MA as a "program in dispute" but not on the second page.

With respect to the request for hearing concerning the FAP recoupment matter, the Department argued that the current hearing request was untimely and Petitioner had withdrawn an earlier hearing request on the matter. A client must request a hearing within 90 calendar days of written notice of the Department's action. BAM 600 (October 2015), p. 10. The Department advised Petitioner of the FAP recoupment on February 9, 2015. Petitioner's hearing request concerning the FAP recoupment submitted on December 30, 2015 was not timely submitted within 90 days of the February 9, 2015

recoupment notice. Although there was evidence that Petitioner timely submitted a hearing request concerning the FAP recoupment on March 2, 2015, she withdrew her hearing request in a hearing request withdrawal she submitted to the Department on March 23, 2015 (Exhibits G and H). A review of MAHS's records shows that a withdrawal was received by MAHS, and MAHS issued an order dismissing her scheduled hearing due to her withdrawal. Because Petitioner withdrew her March 2, 2015 hearing request and that withdrawal resulted in a dismissal, Petitioner cannot rely on the March 2, 2015 hearing request to establish a timely hearing request. Because Petitioner's request to review the FAP recoupment was not timely requested and was not properly presented for hearing, it is not addressed.

Petitioner was also concerned about the closure of her FAP case. The December 17, 2015 Notice of Case Action indicated that the closure was due to Petitioner's failure to verify requested information (Exhibit F). At the hearing, the Department clarified that the closure was due to Petitioner's failure to complete and submit two Wage Match Client Notices sent to her on October 15, 2015 requesting information concerning her husband's employment at [REDACTED] and [REDACTED] from April 1, 2015 to present (Exhibit B).

The Department routinely matches recipient employment data with the Michigan Department of Energy, Labor & Economic Growth Unemployment Insurance Agency (UIA). BAM 802 (July 2015), p. 1. This data exchange assists in the identification of potential current and past employment income. BAM 802, p. 1. The Department, on a quarterly basis, reviews the work history records submitted by Michigan employers. BAM 802, p. 1. The Department compares this information to the client's gross earnings record in its Bridges system. If the Department's data exchange with UIA shows that a client has household income significantly inconsistent with the Department's information in the client's file, the Department is required to reconcile the discrepancy by sending the client a Wage Match Client Notice, DHS-4638, giving the client 30 days to provide verification of wage match earnings. BAM 802, p. 2. If verifications are not returned by the 30th day, the case will close for a minimum of 30 days, unless the client returns verifications. BAM 802, p. 2.

In this case, the Department argued that the Wage Match was requested because it either had no income reported from the employers or the reported income was underreported. The wage match details screen from the Department's system showed that Petitioner's husband's employers reported \$7,287 in income for the period between April and June 2015 from [REDACTED] and [REDACTED]. The details screen showed that the Wage Match Notices were sent to Petitioner because the income from the wage match data exchange exceeded the income the Department was using to budget Petitioner's household's income by \$2000 or more (Exhibit E).

Although the Department was not budgeting Petitioner's husband's income from [REDACTED], the evidence showed that Petitioner had timely reported that her husband had started employment with [REDACTED] on July 2, 2015, with the first paycheck received June 24, 2015.

Therefore, Petitioner was not required to submit a Wage Match Client Notice with respect to the [REDACTED] employment.

The employment budget summary showed that the Department was budgeting \$1844.19 monthly for Petitioner's husband income from [REDACTED]. This would result in \$5532.57 budgeted for the quarter period of April 2015 through June 2015. The wage match showed that, between April 2015 and June 2015, Petitioner's husband received \$6983 from [REDACTED], resulting in a discrepancy between April 2015 and June 2015 of \$1451 in the amount being budgeted in calculating Petitioner's FAP budget and the amount reported by the employer. Because of this discrepancy, the Department acted in accordance with Department policy when it sent the Wage Match Notices to Petitioner requesting verification of her husband's employment for April 1, 2015 ongoing.

The evidence in this case showed that on November 12, 2015 Petitioner submitted her husband's paystubs for his [REDACTED] employment for September 2015 and October 2015 (Exhibit L). However, she did not submit a completed Wage Match or provide paystubs verifying income from April 2015 to June 2015. Because Petitioner was required to submit the completed Wage Match Notice for [REDACTED] showing income for April 1, 2015 ongoing and failed to do so, the Department acted in accordance with Department policy when it closed Petitioner's FAP case.

At the hearing, Petitioner indicated that she was concerned that her MA cases had closed. The Department did not address the issue in its hearing summary. It presented an eligibility summary showing that Petitioner and her three minor children were ongoing, active MA recipients (Exhibit L). The evidence presented failed to show Petitioner's husband was an MA recipient, and if he was, the current status of his MA case. However, a client's MA case may close if the client fails to submit a completed Wage Match Client Notice. See BAM 802, p. 2. Therefore, any closure of Petitioner's husband's case would be appropriate.

Petitioner is advised that she can reapply for FAP and MA benefits.

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 closed Petitioner's FAP and her husband's MA case for failure to submit the Wage Match Client Notice concerning [REDACTED].

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: **2/25/2016**

Date Mailed: **2/25/2016**

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:

