



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: June 17, 2016
MAHS Docket No.: 16-006173
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 June 8, 2016, from Lansing, Michigan. [REDACTED], the Petitioner, appeared on her own behalf. [REDACTED], daughter, appeared as a witness for the Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

During the hearing proceedings, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-45.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) and Medical Assistance (MA) benefits based on a failure to comply with verification requirements?

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 or about February 15, 2016, Petitioner applied for FAP. (Exhibit A, pp. 26-45; Hearing Facilitator Testimony)
2. On February 16, 2016, a Verification Checklist was issued to Petitioner stating what verifications were due by the February 26, 2016, due date to determine

eligibility for FAP. The requested verifications included additional information about unearned income. (Exhibit A, pp. 24-25)

3. On February 24, 2016, a Verification Checklist was issued to Petitioner stating what verifications were due by the March 7, 2016, due date to determine eligibility for FAP and Medicaid. The requested verifications included proof regarding other unearned as well as additional information about all earned and unearned income. (Exhibit A, pp. 22-23)
4. During a February 24, 2016, FAP interview, Petitioner requested assistance from the Department to obtain the requested verification of dividend income. (Exhibit A, p. 19)
5. On February 26, 2016, the caseworker contacted [REDACTED] by email regarding obtaining verification of the dividend income. [REDACTED] indicated they needed a release of information. (Exhibit A, pp. 20-21)
6. On March 8, 2016, the caseworker emailed Petitioner letting her know that [REDACTED] could not provide the Department any information without a signed release of information. An Authorization of Release of Information form was attached. (Exhibit A, p. 18)
7. The Department did not receive the signed release of information form back from Petitioner. (Hearing Facilitator Testimony)
8. On March 15, 2016, a Notice of Case Action was issued to Petitioner stating FAP was approved for the period of February 16, 2016, through February 29, 2016, but denied for March 1, 2016 and ongoing because the verification of unearned income was not received. (Exhibit A, pp. 12-15)
9. On March 22, 2016, Petitioner left a message for the supervisor asserting there were unnecessary repeated requests for shelter and bank verification, which had already been provided, and there is no need for another phone interview because nothing had changed. (Exhibit A, p. 11)
10. On March 24, 2016, the Department contacted Petitioner and advised her to submit verification of the [REDACTED] dividend income that the worker was unable to obtain. (Exhibit A, p. 11)
11. On April 19, 2016, a Health Care Coverage Determination Notice was issued to Petitioner stating MA was approved for Petitioner and another group member for April 2016, but denied for a second group member because there was a request in writing for the assistance or application to be stopped. (Exhibit A, pp. 7-10)
12. On April 22, 2016, a Benefit Notice was issued to Petitioner stating MA would end April 30, 2016, because unearned income was not verified. (Exhibit A, pp. 5-6)

13. On May 5, 2016, [REDACTED] faxed the Department verification of the dividend income and noted that they previously tried to fax this on March 24, 2016, but the fax failed. (Exhibit A, pp. 1-2)
14. On May 18, 2016, Petitioner filed a hearing request contesting the Department's actions. (Exhibit A, p. 3)

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.

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.

Bridges screens all FAP applications to identify those requiring expedited service. Answers to the questions on the DHS-1171, Food Assistance Information section, and the DHS-1171 Filing Form, provide the information needed to identify expedited service cases. This information is input on the Expedited Screening page. The group does **not** have to request expedited service. A group **cannot** waive its right to expedited service. BAM 117, July 1, 2014, p. 2.

Prorate benefits for the month of application, beginning with the date of application, when the group is eligible for the application month as for other FAP program groups. BAM 117, p. 4.

Food Assistance groups that did **not** provide all required verifications will **not** be issued benefits for subsequent months until the FAP group provides the waived verification **or** completes a redetermination. BEM 117, p. 5.

In general, verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level. The Department worker must tell the client what verification is required, how to obtain it, and the due date. The client must obtain required verification, but the Department must assist if the client needs and requests help. If neither the client nor the Department can obtain verification despite a reasonable effort, the Department worker should use the best available information. If no evidence is available, the Department worker is to use their best judgment. BAM 130, January 1, 2016, pp. 1-3.

For FAP, the Department must allow a client 10 calendar days (or other time limit specified in policy) to provide the requested verification. If the client contacts the Department prior to the due date requesting an extension or assistance in obtaining verifications, the Department is to assist the client with the verifications but not grant an extension. The Department is to explain to the client they will not be given an extension and their case will be denied once the verification check list (VCL) due date is passed. The Department is also to explain that their eligibility will be determined based on their compliance date if they return required verifications. The Department is to re-register the application if the client complies within 60 days of the application date. BAM 130, p. 7.

For MA, the Department must allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. If the client cannot provide the verification despite a reasonable effort, the Department can extend the time limit up to two times when specific conditions are met. Verifications are considered timely if received by the date they are due. The Department is to send a case action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, pp. 7-8.

On or about February 15, 2016, Petitioner applied for FAP. (Exhibit A, pp. 26-45; Hearing Facilitator Testimony)

On February 16, 2016, a Verification Checklist was issued to Petitioner stating what verifications were due by the February 26, 2016, due date to determine eligibility for FAP. The requested verifications included additional information about unearned income. (Exhibit A, pp. 24-25)

On February 24, 2016, a Verification Checklist was issued to Petitioner stating what verifications were due by the March 7, 2016, due date to determine eligibility for FAP and Medicaid. The requested verifications included proof regarding other unearned as well as additional information about all earned and unearned income. (Exhibit A, pp. 22-23)

During a February 24, 2016, FAP interview, Petitioner requested assistance from the Department to obtain the requested verification of dividend income. (Exhibit A, p. 19)

On February 26, 2016, the caseworker contacted [REDACTED] by email regarding obtaining verification of the dividend income. [REDACTED] indicated they needed a release of information. (Exhibit A, pp. 20-21)

On March 8, 2016, the caseworker emailed Petitioner letting her know that [REDACTED] could not provide the Department any information without a signed release of information. An Authorization of Release of Information form was attached. (Exhibit A, p. 18) The Department did not receive the signed release of information form back from Petitioner. (Hearing Facilitator Testimony)

On March 15, 2016, a Notice of Case Action was issued to Petitioner stating FAP was approved for the period of February 16, 2016, through February 29, 2016, and denied for March 1, 2016 and ongoing because the verification of unearned income was not received. (Exhibit A, pp. 12-15)

On March 22, 2016, Petitioner left a message for the supervisor asserting there were unnecessary repeated requests for shelter and bank verification, which had already been provided, and there is no need for another phone interview because nothing had changed. (Exhibit A, p. 11) On March 24, 2016, the Department contacted Petitioner and advised her to submit verification of the [REDACTED] dividend income that the worker was unable to obtain. (Exhibit A, p. 11)

On April 19, 2016, a Health Care Coverage Determination Notice was issued to Petitioner stating MA was approved for Petitioner and another group member for April 2016, but denied for a second group member because there was a request in writing for the assistance or application to be stopped. (Exhibit A, pp. 7-10) The Department acknowledged that this Notice was incorrect. (Exhibit A, pp. 19) Accordingly a corrected benefit notice was subsequently issued. On April 22, 2016, a Benefit Notice was issued to Petitioner stating MA would end April 30, 2016, because unearned income was not verified. (Exhibit A, pp. 5-6)

On May 5, 2016, [REDACTED] faxed the Department verification of the dividend income and noted that they previously tried to fax this on March 24, 2016, but the fax failed. (Exhibit A, pp. 1-2)

Petitioner disagrees with the closure of FAP and MA benefits and asserted that she complied with the multiple requests for verification made to her and that the mistakes were on the Department's end. In part, Petitioner testified that after she verbally gave [REDACTED] permission to provide information to the Department, they told her the requested verification had been faxed to the Department. Petitioner noted that the written statement from [REDACTED] indicating they had an old number on file for Petitioner was not accurate. For example, the Department caseworker had emailed [REDACTED] Petitioner's current phone number. (Exhibit A, pp. 1 and 20-21)

Overall, the evidence supports the Department's determination to close Petitioner's FAP and MA benefits based upon a failure to comply with verification requirements. It is uncontested that Petitioner was aware that the Department was requesting verification

of the [REDACTED] dividend income. Verification checklists were issued in accordance with the BAM 130 policy. When Petitioner requested the Department assist with obtaining the dividend income verification, the Department made a collateral contact to [REDACTED]. The Department let Petitioner know a release of information was needed, but Petitioner did not return a signed release of information form to the Department. There was no evidence that the Department was made aware that Petitioner had verbally given [REDACTED] permission to release the information to the Department. Accordingly, as far as the Department was aware, they were unable to provide any further assistance with obtaining the needed verification from [REDACTED]. The May 5, 2016, fax from [REDACTED] to the Department confirmed that their prior attempt to fax the verification to the Department on March 24, 2016, failed. Accordingly, there is no evidence that the Department received the requested verification of the dividend income prior to May 5, 2016.

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 MA benefits based on a failure to comply with verification requirements.

DECISION AND ORDER

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

CL/mc



Colleen Lack
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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

DHHS

[REDACTED]

Petitioner

[REDACTED]