



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: [REDACTED]
MAHS Docket No.: 16-007834
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Eric J. Feldman

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 [REDACTED] [REDACTED] from Detroit, Michigan. The Petitioner was represented by [REDACTED] (Petitioner). The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator; and [REDACTED], Assistant Payment Worker.

ISSUES

Did the Department properly close Petitioner's Food Assistance Program (FAP) benefits effective [REDACTED]

Did the Department properly close Petitioner's Medical Assistance (MA) benefits effective [REDACTED]?

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 [REDACTED], the Department sent Petitioner a redetermination (DHS-1010) in order to redetermine her eligibility for FAP and MA benefits and the form was due back by [REDACTED]. See Exhibit A, pp. 5-10.

3. On [REDACTED], Petitioner submitted the redetermination online. See Exhibit A, p. 11.
4. On [REDACTED], a redetermination telephone interview was completed in which Petitioner notified the Department that her employment had ended and that she is now self-employed.
5. As a result of the telephone interview, the Department sent Petitioner a Verification Checklist (VCL) on April 21, 2016 and it was due back by [REDACTED]. See Exhibit A, pp. 15-16. The VCL requested proof of other self-employment, wages, and loss of employment. See Exhibit A, pp. 15-16.
6. On [REDACTED], the Department sent Petitioner a New Hire Client Notice (new hire) and the form was due back by [REDACTED]. See Exhibit A, pp. 17-18. Even though the new hire reported that Petitioner had recently started work with the employer listed on the form, Petitioner indicated that she had stopped working at that employer in mid-[REDACTED] and that she was only self-employed.
7. On [REDACTED], Petitioner submitted six self-employment receipts dated from on or around [REDACTED] to [REDACTED]. See Exhibit A, p. 1.
8. Petitioner failed to submit proof of her loss of employment before the VCL due date of [REDACTED].
9. On [REDACTED], the Department sent Petitioner a Self-Employment Income and Expense Statement (DHS-431) (self-employment) form to complete for the month of [REDACTED] without a due date. See Exhibit A, pp. 19-20.
10. Proof that her employment had ended was not submitted until after [REDACTED].
11. Petitioner did not submit the self-employment verifications until [REDACTED].
12. On [REDACTED] Petitioner submitted a change to report that she started working on [REDACTED]. See Exhibit A, p. 1.
13. On [REDACTED], the Department sent Petitioner a Notice of Case Action notifying her that her FAP benefits would close effective [REDACTED] because she failed to submit verification of loss of employment, self-employment payments, and earned income. See Exhibit A, pp. 21-22.
14. On [REDACTED] the Department sent Petitioner a Health Care Coverage Determination Notice (determination notice) notifying her that her MA benefits would close effective [REDACTED] because she failed to submit verification of income. See Exhibit A, pp. 23-24.
15. On [REDACTED], Petitioner filed a hearing request, protesting the Department's action. See Exhibit A, p. 2.

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.

Clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105 (██████████), p. 9. This includes completion of necessary forms. BAM 105, p. 9.

The Michigan Department of Health & Human Services (MDHHS) must periodically redetermine or renew an individual's eligibility for active programs. BAM 210 (██████████), p. 1. The redetermination process includes thorough review of all eligibility factors. BAM 210, p. 1.

A complete redetermination is required at least every 12 months. BAM 210, p. 1. For FAP cases, benefits stop at the end of the benefit period unless a redetermination is completed and a new benefit period is certified. BAM 210, p. 2. If the client does not begin the redetermination process, allow the benefit period to expire. BAM 210, p. 2. For MA cases, benefits stop at the end of the benefit period unless a renewal is completed and a new benefit period is certified. BAM 210, p. 2. Also, the renewal month is 12 months from the date the most recent complete application was submitted. BAM 210, p. 2.

A redetermination/review packet is considered complete when all of the sections of the redetermination form including the signature section are completed. BAM 210, p. 10. Exception: For FIP, SDA and FAP only, if any section of the redetermination/review packet has not been completed but there is a signature, consider the redetermination/review complete. BAM 210, p. 10. Complete any missing sections

during the interview. BAM 210, p. 10. When a complete packet is received, record the receipt in Bridges as soon as administratively possible. BAM 210, p. 10. If the redetermination is submitted through MI Bridges, the receipt of the packet will be automatically recorded. BAM 210, p. 10.

For FAP cases, if the redetermination packet is not logged in by the last working day of the redetermination month, the Department automatically closes the Eligibility Determination Group (EDG). BAM 210, p. 11. A DHS-1605, Notice of Case Action, is not generated. BAM 210, p. 11. For MA cases, benefits are not automatically terminated for failure to record receipt of the renewal packet. BAM 210, p. 11.

To complete the redetermination process, the Department will generate a verification checklist (VCL) for any missing verifications. See BAM 210, pp. 15-16.

For MA cases, verifications are due the same date as the redetermination/review interview. BAM 210, p. 14. When an interview is not required, verifications are due the date the packet is due. BAM 210, p. 14. The Department allows clients a full 10 calendar days from the date the verification is requested (date of request is not counted) to provide all documents and information. BAM 210, p. 14. If the tenth day falls on a weekend or holiday, the verification would not be due until the next business day. BAM 210, p. 14. The Department gives timely notice of the negative action if the time limit is not met. BAM 210, p. 14.

For FAP cases, verifications must be provided by the end of the current benefit period or within 10 days after they are requested, whichever allows more time. BAM 210, p. 15. If the tenth day falls on a weekend or holiday, the verification will not be due until the next business day. BAM 210, p. 15. Note: the DHS-3503, Verification Checklist, should be sent after the redetermination interview for any missing verifications allowing 10 days for their return. BAM 210, p. 15.

Additionally, the Department verifies income at application and at redetermination. BEM 505 (), p. 14. Verify changes that result in a benefit increase or when change information is unclear, inconsistent or questionable. BEM 505, p. 14. Verify income that stopped within the 30 days prior to the application date or while the application is pending before certifying the Eligibility Determination Group (EDG). BEM 505, p. 14. If eligibility fails due to lack of verification of stopped income, a client who reapplies, does not need to verify stopped income if it has been over 30 days. BEM 505, p. 14. **Exception:** Verification of stopped income within 30 days prior to the application does not apply to Medicaid programs. BEM 505, p. 14.

Finally, BEM 502, Income from Self-Employment, outlines the verification sources for income from self-employment, which includes DHS-431, Self-Employment Statement, with or without receipts. See BEM 502 (), pp. 7-8.

In the present case, Petitioner made the following arguments and/or assertions: (i) she informed the caseworker at the redetermination telephone interview that her

employment had ended and that she is now self-employed; (ii) even though the new hire reported that she had recently started work with the employer listed on the form, she indicated that she had stopped working at that employer in mid-██████████ and that she was only self-employed; (iii) on ██████████, Petitioner submitted six self-employment receipts dated from on or around ██████████ to ██████████; (iv) she indicated that her prior employer did not submit the new hire that reported her employment had ended, via fax, until ██████████; however, both parties appeared to indicate a first attempt was made to submit an employment verification via fax on or about ██████████; (v) on ██████████, Petitioner received the self-employment verification (DHS-431) request after submitting the receipts and she did not submit the actual DHS-431 forms until ██████████; and (vi) Petitioner thought her closures were based on the new hire form and not the self-employment verifications. It should be noted the closures were not based on the failure to submit the new hire. See BAM 807 ██████████ pp. 1-4 (state new hire matches).

In response, the Department argued that Petitioner failed to submit the necessary verifications prior to the due date. Therefore, the Department claimed that it properly closed Petitioner's FAP and MA benefits due to her failure to comply with the verification requirements.

Based on the foregoing information and evidence, the undersigned finds that (i) the Department properly closed Petitioner's FAP benefits effective ██████████; and (ii) the Department properly closed Petitioner's MA benefits effective ██████████.

In the present case, Petitioner acknowledged that she notified the Department that her employment had ended and that she is now self-employed at the time of her redetermination interview on ██████████. As such, it was reasonable by the Department to request verification of her self-employment income and proof that her employment had stopped. See Exhibit A, pp. 15-16. Yes, Petitioner did submit some of the self-employment verifications on ██████████, which was before the VCL due date of ██████████. See Exhibit A, pp. 1 and 15-16. Moreover, the Department indicated that Petitioner reported that she starting working on ██████████. See Exhibit A, p. 1. Thus, the undersigned is somewhat unclear as to Petitioner's employment history because one employment had ended, another employment allegedly had started, and she is now self-employed. Nevertheless, the evidence established that at one point, Petitioner had employment that had ended, and she did not submit proof that the employment had ended until after the VCL due date of ██████████ and/or after the current benefit period had ended (██████████). Ultimately, the Petitioner must complete the necessary forms in determining her ongoing FAP and MA eligibility. BAM 105, p. 9. Because Petitioner failed to submit proof that her employment had ended before the VCL due date and/or by the end of the current benefit period (██████████), the Department acted in accordance with Department policy when it closed Petitioner's FAP benefits effective ██████████ and MA benefits effective ██████████. BAM 105, p. 9; BAM 210, pp. 1-15; and BAM 130 (██████████), pp. 6-8 (timeliness of verification for FAP and MA cases). Petitioner can reapply for FAP and MA benefits.

DECISION AND ORDER

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 (i) the Department acted in accordance with Department policy when it closed Petitioner's FAP benefits effective [REDACTED]; and (ii) the Department acted in accordance with Department policy when it closed Petitioner's MA benefits effective [REDACTED].

Accordingly, the Department's FAP and MA decision is **AFFIRMED**.

EJF/hw



Eric J. Feldman

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 [REDACTED]; 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]