



RICK SNYDER  
GOVERNOR

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

MIKE ZIMMER  
DIRECTOR

[REDACTED]

Date Mailed: March 24, 2016  
MAHS Docket No.: 16-001378 and 16-002359  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

**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 March 21, 2016, from Detroit, Michigan. The Petitioner was represented by Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED] Eligibility Specialist.

**ISSUE**

Did the Department properly close Petitioner's FAP and MA benefits effective [REDACTED] for failing to verify information?

Did the Department properly deny Petitioner's [REDACTED] application for FAP benefits for failing to provide required banking information?

Did the Department properly process Petitioner's [REDACTED] application for MA benefits?

Did the Department properly deny Petitioner's [REDACTED] application for CDC benefits for exceeding the gross income limit?

**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 FAP and MA recipient.
2. On [REDACTED], the Department sent Petitioner a New Hire Client Notice which was required to be returned by [REDACTED].
3. Petitioner failed to return the New Hire Client Notice.
4. On [REDACTED], the Department sent Petitioner a Notice of Case Action notifying her that her FAP benefits would close effective [REDACTED].
5. On [REDACTED], the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that her MA benefits would close effective [REDACTED].
6. On [REDACTED] Petitioner submitted an application for FAP, MA and CDC benefits.
7. On [REDACTED], the Department sent Petitioner a Verification Checklist requesting several documents including banking information be returned on or before [REDACTED].
8. Petitioner failed to return the requested banking information.
9. On [REDACTED], the Department sent Petitioner a Notice of Case Action notifying her that her application for FAP and CDC benefits had been denied.

### **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.

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.

### **FAP/MA Closure**

The Michigan Department of Health and Human Services (MDHHS) routinely matches recipient data with other agencies through automated computer data exchanges. BAM 807 (July 2015), p. 1. The Department became aware of potential employment by Petitioner, and on [REDACTED] sent Petitioner a New Hire Client Notice to be completed and returned by [REDACTED] 5. At the hearing, Petitioner confirmed that the New Hire Client Notice was sent to her home address. Petitioner testified that she now utilizes a P.O. Box as her mailing address.

The proper mailing and addressing of a letter creates a presumption of receipt which may be rebutted by evidence. *Stacey v Sankovich*, 19 Mich App 638 (1969); *Good v Detroit Automobile Inter-Insurance Exchange*, 67 Mich App 270 (1976). There was no information provided that there was any issues with the receipt of Petitioner's mail. There was also no information provided that the mail was returned to the Department as undeliverable. It is therefore found that Petitioner failed to rebut the presumption of proper mailing. As such, the Department properly closed Petitioner's FAP and MA benefits effective [REDACTED].

### **FAP – NEW APPLICATION**

Verification is usually required at application or redetermination. BAM 130 (January 2016), p. 1. Petitioner submitted a new application for FAP/MA/CDC benefits on [REDACTED]. On [REDACTED], the Department mailed Petitioner both a Verification Checklist and a Verification of Employer. Both documents were required to be returned on or before [REDACTED]. The Department did not receive the completed Verification of Employment. The Department received all documents requested in the Verification Checklist except Petitioner's checking and savings account information.

Petitioner testified that she returned all document required in the Verification Checklist including her checking and savings account information. At the hearing, Petitioner

brought checking and savings account information for March 2016 but did not have any checking and savings account information for the timeframe referenced in the Verification Checklist. Petitioner did not retain a copy of the documents she submitted. As such, Petitioner provided no evidence that she timely submitted her checking and savings account information. It is therefore found that the Department properly denied Petitioner's new application for FAP benefits.

### **MA – NEW APPLICATION**

Petitioner submitted a new application for MA benefits on [REDACTED]. The Department testified that because Petitioner failed to return the New Hire Client Notice, which caused the closure of her MA case effective [REDACTED] it had no duty to process the new application and to send notice to Petitioner informing her that her application had been denied. The undersigned disagrees

Under Department policy, the Department receives an application for assistance, it is to be registered and processed in accordance with Department policies. The standard of promptness begins the date the Department receives an application/filing form, with minimum required information. BAM 115 (January 2016), p. 14. The Department is to certify program approval or denial of the application within 45 days and upon certification of eligibility results, the Department is to notify clients in writing of positive and negative actions by generating the appropriate notice of case action. After processing an initial application, the Department will notify clients of the approval or denial. BAM 115, pp. 13-25; BAM 220 (January 2016), pp. 1, 20. The Department admittedly did not take any additional steps to process Petitioner's new application and as such, did not follow Department policy.

### **CDC – NEW APPLICATION**

Petitioner submitted a new application for CDC benefits on [REDACTED] indicating a group size of two. Petitioner provided paystubs to the Department. In December, Petitioner earned the following income: (1) [REDACTED] – \$748.56 on [REDACTED] and \$906.53 on [REDACTED]; and (2) [REDACTED] - \$66.00 on [REDACTED], \$66.00 on [REDACTED], \$66.00 on [REDACTED], and \$148.50 on [REDACTED]. Accordingly, Petitioner's total income for the month of December 2015 was \$2,001.59. Under Department policy, the gross income limit for a group size of two is \$1,607.00. RFT 270 (January 2016), p. 1. As such, it is found that Petitioner's December 2015 income exceeded the gross income limit. The Department properly denied Petitioner's application for CDC 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 MA benefits effective [REDACTED].

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 denied Petitioner's application for FAP benefits for failing to submit banking information.

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 failed to process Petitioner's application for 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 denied Petitioner's application for CDC benefits as she exceeded the gross income limit.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the closure of Petitioner's FAP and MA benefits effective [REDACTED] and with respect to the denial of Petitioner's application for FAP and CDC benefits but **REVERSED IN PART** with respect to Petitioner's application for MA benefits.

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 [REDACTED], application for MA benefits;
2. Issue supplements to Claimant for any MA coverage that she was entitled to receive but did not as of [REDACTED], ongoing; and
3. Notify Claimant of its decision in writing.

JM/hw



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**Jacquelyn A. McClinton**

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]

[REDACTED]

**Petitioner**

[REDACTED]