



RICK SNYDER  
GOVERNOR

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

MIKE ZIMMER  
DIRECTOR



Date Mailed: March 31, 2016  
MAHS Docket No.: 16-001850  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**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 March 30, 2016, from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED] Family Independence Manager, and [REDACTED], Eligibility Specialist.

### **ISSUE**

Did the Department properly close Petitioner's Medicaid (MA) and Food Assistance Program (FAP) cases?

### **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 MA and FAP benefits.
2. On December 7, 2015, the Department sent Petitioner a New Hire Client Notice requesting that she submit the completed form by December 17, 2015.
3. Petitioner timely submitted the completed form (Exhibit B).
4. On January 11, 2016, the Department sent Petitioner (i) a Health Care Coverage Determination Notice notifying her that her MA case was closing effective February 1, 2016 because she had failed to verify requested information; and (ii) a Notice of

Case Action notifying her that her FAP case was closing effective February 1, 2016 because she failed to verify requested information (Exhibits A and F).

5. On February 11, 2016, the Department received Petitioner's written request for hearing disputing the Department's actions.

### **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.

Petitioner requested a hearing disputing the closure of her FAP and MA cases. The January 11, 2016, Notice of Case Action and Health Care Coverage Determination Notice, advised Petitioner that her FAP and MA cases were closing effective February 1, 2016 because she had failed to verify requested information. At the hearing, the Department explained that the information at issue was the New Hire Client Notice sent to Petitioner on December 7, 2015, and due on December 17, 2015.

When an active FAP recipient has failed to report employment and the Department becomes aware of the employment pursuant to a State New Hire Match, a daily data exchange of information where Michigan employers report new employees within 20 days of the hire date, the Department is required to request verification by generating a DHS-4635, New Hire Client Notice. BAM 807 (July 2015), p. 1. If verifications are not returned by the tenth day, case action will need to be initiated to close the client's MA and FAP cases in Bridges. BAM 807, p. 2.

The Department acknowledged at the hearing that, after it reviewed Petitioner's case upon receipt of her hearing request, it found that Petitioner had in fact timely submitted the completed New Hire Client Notice on December 17, 2015. The Department testified that it responded by reinstating Petitioner's MA and FAP cases. In support of its testimony, the Department presented the February 11, 2016 Health Care Coverage Determination Notice it sent Petitioner notifying her that she was eligible for full coverage MA (Exhibit D). The Health Care Coverage Determination Notice indicates that the full coverage MA case was reinstated as of February 1, 2016. However, while it provides for full coverage for the month of February 2016, it does not indicate that the coverage is ongoing. There was no evidence presented of ongoing MA coverage or for closure for reasons unrelated to the New Hire Client Notice. Therefore, the Department has failed to satisfy its burden of showing that it resolved the improper closure of Petitioner's MA case.

In support of its testimony that it reinstated Petitioner's FAP case, the Department was given the opportunity to present the Notice of Case Action showing that her FAP case was reinstated effective February 1, 2016. While there was evidence that Petitioner received ongoing, uninterrupted FAP benefits, the Department did not provide a copy of the relevant Notice of Case Action to establish that the FAP issue was resolved. In the absence of any documentary evidence, the Department has failed to satisfy its burden of showing that it resolved the improper closure of Petitioner's FAP case.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed Petitioner's MA and FAP cases.

### **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. Reinstatement of Petitioner's FAP case effective February 1, 2016 ongoing;
2. Provide MA coverage to Petitioner for February 2016 ongoing;
3. Issue supplements to Petitioner for any FAP benefits she was eligible to receive but did not from February 1, 2016 ongoing; and

4. Provide timely notice to Petitioner of any changes in MA coverage and FAP benefits in accordance with Department policy.

AE/tm



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**Alice C. Elkin**  
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

