



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

██████████  
██████████  
██████████

Date Mailed: January 17, 2017  
MAHS Docket No.: 16-018437  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **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 ██████████, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by ██████████ hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly denied Petitioner's Food Assistance Program (FAP) eligibility.

### **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 ██████████, Petitioner applied for FAP benefits.
2. MDHHS did not request proof of Petitioner's assets.
3. On an unspecified date, MDHHS denied Petitioner's eligibility due to excess assets.
4. On an unspecified later date, Petitioner received FAP benefits for ██████████  
██████████

5. On [REDACTED], Petitioner requested a hearing to dispute the denial of her FAP application and to dispute her FAP eligibility for [REDACTED].
6. Petitioner withdrew her dispute concerning FAP eligibility for [REDACTED].

### **CONCLUSIONS OF LAW**

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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute a denial of FAP benefits. MDHHS did not present a Notice of Case Action. MDHHS also did not address Petitioner's dispute within their written summary. MDHHS testimony acknowledged Petitioner applied for FAP benefits on [REDACTED], and that the application was denied due to excess assets.

Assets must be considered in determining eligibility for... FAP. BEM 400 (July 2016), p. 1. [MDHHS is to] verify the value of countable assets at application, redetermination and when a change is reported. *Id.*, p. 58. [The FAP asset limit is] [REDACTED] or less.

[For all programs, MDHHS is to] use the DHS-3503, Verification Checklist to request verification. BAM 130 (July 2016), p. 3. [MDHHS must] allow the client 10 calendar days (or other time limit specified in policy) to provide the verification that is requested. *Id.*, p. 6. [MDHHS] must tell the client what verification is required, how to obtain it, and the due date.... *Id.*, p. 3. [MDHHS is to] send a negative action notice when... the client indicates refusal to provide a verification, or the time period given has elapsed and the client has not made a reasonable effort to provide it. *Id.*

MDHHS testimony conceded a Verification Checklist (VCL) was never mailed to Petitioner. MDHHS testimony indicated a VCL might not have been mailed because of previously reported information by Petitioner.

MDHHS testified that Petitioner reported in [REDACTED] that she had [REDACTED] in liquid assets. If MDHHS relied on this information in denying Petitioner's application, the reliance was based on obsolete information. MDHHS should have requested updated asset verifications following receipt of Petitioner's FAP benefit application.

MDHHS is not necessarily required to request verifications when ineligibility is apparent from a client's own reporting. Consideration was given to whether MDHHS denied Petitioner's application based on Petitioner's application statements.

It was not disputed Petitioner's application reported a total of [REDACTED] in assets on her application. Thus, MDHHS cannot claim that Petitioner's reporting caused MDHHS to believe Petitioner to be ineligible for FAP benefits due to excess assets.

It is found MDHHS improperly failed to request verification of Petitioner's assets. Accordingly, the subsequent denial of FAP benefits was improper.

Though MDHHS denied Petitioner's FAP application dated [REDACTED], MDHHS subsequently approved Petitioner for FAP benefits. Petitioner also requested a hearing to dispute FAP eligibility for [REDACTED].

Petitioner testified that MDHHS has since corrected her FAP eligibility for [REDACTED] and that she no longer has a dispute concerning her eligibility. Petitioner's hearing request will be dismissed concerning her [REDACTED] eligibility based on her hearing request withdrawal.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that Petitioner withdrew her dispute concerning FAP eligibility for [REDACTED]. [REDACTED] Petitioner's hearing request is **PARTIALLY DISMISSED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's FAP application. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Reinstate Petitioner's application for FAP benefits dated [REDACTED] subject to the finding that MDHHS failed to attempt to verify Petitioner's assets at application; and
  - (2) Initiate processing of Petitioner's application in accordance with MDHHS policies.
- The actions taken by MDHHS are **REVERSED**.

CG/hw



---

**Christian Gardocki**  
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]  
[REDACTED]

[REDACTED]  
[REDACTED]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]