



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: July 7, 2017
MAHS Docket No.: 17-006713
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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. After due notice, telephone hearing was held on June 29, 2017, from Lansing, Michigan. The Petitioner represented herself. The Department was represented by [REDACTED] Assistance Payments Supervisor.

ISSUE

Did the Department of Health and Human Services (Department) properly close Petitioner's Food Assistance Program (FAP) benefits?

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 Food Assistance Program (FAP) and Medical Assistance (MA) recipient.
2. On March 4, 2017, the Department sent Petitioner a Redetermination (DHS-1010) with an April 4, 2017, due date. Exhibit A, pp 10-17.
3. On April 13, 2017, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of an annuity by April 24, 2017. Exhibit A, pp 20-23.
4. On April 24, 2017, the Department received verification of the earned income of a benefit group member. Exhibit A, p 24.

5. On May 1, 2017, the Department notified Petitioner that it would close her Food Assistance Program (FAP) benefits effective May 1, 2017. Exhibit A, pp 4-6.
6. On May 1, 2017, the Department notified Petitioner that she was eligible for Medical Assistance (MA) effective May 1, 2017. Exhibit A, pp 7-9.
7. On May 11, 2017, the Department received Petitioner's request for a hearing protesting the closure of her Food Assistance Program (FAP) benefits. 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.

Assets means cash, any other personal property and real property. Real property is land and objects affixed to the land such as buildings, trees and fences. Condominiums are real property. Personal property is any item subject to ownership that is not real property. Countable assets cannot exceed the applicable asset limit. An asset is countable if it meets the availability tests and is not excluded. Available means that someone in the asset group has the legal right to use or dispose of the asset. Department of Human Services Bridges Eligibility Manual (BEM) 400 (April 1, 2016), pp 1-7.

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (October 1, 2016), p 8.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (April 1, 2017), pp 1-9.

Petitioner was an ongoing FAP and MA recipient when the Department initiated a review of her eligibility for ongoing benefits by sending her a Redetermination (DHS-1010) form with an April 4, 2017, due date. Based on Petitioner's responses to this Redetermination form, the Department sent her a Verification Checklist (DHS-3503) requesting verification of an annuity. On May 1, 2017, the Department had not received any verification of the annuity and it notified Petitioner that her FAP benefits would close effective May 1, 2017.

Petitioner testified that she responded to the Department's request for information on April 24, 2017. The Department does not dispute that it received verification of earned income on April 24, 2017. Petitioner testified that she had previously provided verification to the Department that the annuity did not pay out any income. Petitioner testified that it should not have been necessary to provide additional verification of the non-income paying annuity.

However, Petitioner's FAP benefits were not closed based on a failure to verify income. The annuity is a countable asset and the Department required verification that Petitioner's assets did not exceed the FAP asset limit as required by BEM 400. Therefore, when the Department did not receive the verification it requested of a countable asset in a timely manner, it was acting in accordance with policy when it closed Petitioner's FAP benefits. There is no asset limit for the category of MA benefits Petitioner is enrolled in, therefore, the Department did not closed 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 closed Petitioner's Food Assistance Program (FAP) benefits.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

Since there has been no negative action with respect to Medical Assistance (MA), Petitioner's hearing request is dismissed with respect to MA only.

KS/nr



Kevin Scully
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]