



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: March 8, 2018
MAHS Docket No.: 18-000852
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler

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; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, an in-person hearing was held on March 5, 2018, from Southfield, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payments Worker.

ISSUE

1. Did the Department properly close Petitioner's Food Assistance Program (FAP) benefits case?
2. Did the Department properly deny Petitioner's request for Medical Assistance (MA) 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. The case notes on Petitioner's file from the Department span the period from July 6, 2011, through December 27, 2017, with a large gap between October 23, 2015, and September 6, 2017; the parties agree that many events took place during this period related to Petitioner's receipt of assistance from the Department but none of the events were documented in the case notes.
2. During 2017, Petitioner has applied for FAP, MA, and other forms of assistance multiple times throughout the year including August 31, 2017, and October 30, 2017, and each time has had multiple problems processing her information.

3. On September 6, 2017, the Department issued a Verification Checklist (VCL) with proofs due by September 18, 2017, for verification of vehicle value, savings and checking accounts, unearned income, and vehicle ownership.
4. On September 18, 2017, while on her way to the Department office to turn in the requested proofs, Petitioner became ill and ended up in the hospital.
5. On September 19, 2017, Petitioner visited the local Department office and provided her vehicle registration and balance due on her auto loan, an Account Balance for her [REDACTED] savings account, a check stub for her Social Security benefit, a check stub for her Veteran's Administration benefit, an account statement for her [REDACTED] checking account, and medical bills to the Department along with notes from her hospitalization and explanation for her delay in returning the documents.
6. By October 19, 2017, Petitioner had not heard anything from the Department office so she returned, spoke with a manager, and resubmitted her proofs; FAP benefits were initiated the same day but MA benefits were not.
7. After this meeting, Petitioner filed a hearing request, but it was unsigned; as a result, it was rejected and Petitioner resubmitted the same hearing request with a signature in November 2017 but has not heard back on that request.
8. Petitioner was issued FAP benefits from October 19, 2017, through January 31, 2018.
9. On October 20, 2017, the Department manager noted in Petitioner's file that her accounts with Chase bank had been closed.
10. On or before October 30, 2017, Petitioner was advised to reapply for MA benefits; as a result, Petitioner reapplied for MA benefits on October 30, 2017.
11. On October 31, 2017, Department issued a Health Care Coverage Supplemental Questionnaire (Questionnaire) due back by November 13, 2017.
12. On November 13, 2017, Petitioner returned the Questionnaire along with 14 pages of verifications previously requested in September 2017 and a Retroactive Medicaid Application covering the months of August 2017 through October 2017.
13. On December 12, 2017, Department issued a VCL with proofs due back by December 26, 2017, for verification of her checking and saving accounts, veteran's compensations, and her address.
14. On the same day, the Department issued a Health Care Coverage Determination Notice (HCCDN) indicating Petitioner was not eligible for the Medicare Savings Program (MSP) and was not eligible for other MA programs because "the applicant did not apply for this person" despite Petitioner being the only group member.

15. Again on December 12, 2017, the Petitioner's case worker noted that the Department had received the VCL with proof of vehicle value, checking account at ██████████ Bank, Savings account at ██████████ Bank, Retirement, Survivors and Disability Insurance (RSDI), medical expenses, and rental expense.
16. On December 27, 2017, the same case worker noted that Petitioner did not return proof of unearned income from the Veteran's Administration or proof of assets for the checking and savings accounts.
17. On the same day, Department issued a HCCDN indicating Petitioner was not eligible for MA benefits because she did not provide the requested proofs to the Department including the verifications for checking and savings accounts and unearned income.
18. The parties agree that the Department also closed Petitioner's FAP case for failure to provide proof of assets and unearned income, but no documentation was submitted to show when the closure became effective.
19. On January 19, 2018, Petitioner submitted a new hearing request disputing the denial of MA benefits and the closure of her FAP benefits case.

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.

In this case, Petitioner was denied MA benefits and her FAP case was closed from what the Department says was a failure to provide the requested verifications. Verifications are due at application or redetermination and if a change is reported affecting eligibility

or a benefit level. BAM 130 (April 2017), p. 1. The Department is required to tell the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. The client must obtain the required verifications, but the local office must assist if they need and request help. *Id.* Negative action notices are sent when the client indicates a refusal to provide the verifications or when the time period given has elapsed and the client has not made a reasonable effort to provide the verifications. BAM 130, p. 7.

Petitioner's original application for FAP benefits was in August 2017. She submitted her proofs on September 19, 2017; October 19, 2017; and again on November 13, 2017. By December of 2017, Petitioner was not submitting an application in her FAP case, nor was she due for a Redetermination or other review. Therefore, the Department's request for verifications in December 2017 for Petitioner's FAP case was not in accordance with policy. The resulting closure of her FAP case for failure to provide requested verifications was in error. BAM 130, p. 1.

Turning to the MA portion of Petitioner's case, she clearly provided the documents to the Department on multiple occasions including October 19, 2017, November 13, 2017, and again in December 2017. The Department argued that the proofs provided by Petitioner were too old; therefore, she did not comply with the request for verifications and her case was closed. Petitioner made a good effort to comply with the requests for verifications. Therefore, pursuant to policy, the Department should not have issued a negative action notice because Petitioner had made a reasonable effort to comply with the request. BAM 130, p. 7. Therefore, the Department's decision to hold Petitioner ineligible for benefits based upon a failure to provide necessary verifications was in error. The Department should have notified Petitioner that the documents provided were not recent enough to be used for verification purposes. It should be noted that because Petitioner submitted a Retroactive Medicaid Application on November 13, 2017, to cover the period from August through October 2017, the documents provided by Petitioner to the Department were relevant to its decision and should have been considered for determining MA eligibility.

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 closed Petitioner's FAP case nor did it act in accordance with policy when it denied Petitioner's eligibility for MA benefits.

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. Reinstate Petitioner's FAP benefits and issue any supplements for benefits not previously issued as a result of the inappropriate closure;

2. Reprocess Petitioner's MA application from October 30, 2017 and Retroactive Medicaid Application from November 13, 2017;
3. If Petitioner is eligible for MA benefits, issue supplements on her behalf for benefits not previously issued for the period covered by the MA and Retroactive Medicaid applications; and
4. Notify Petitioner in writing of its decision.



AM/

Amanda M. T. Marler
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]
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