



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: June 1, 2018
MAHS Docket No.: 18-004177
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, a telephone hearing was held on May 23, 2018, from Lansing, Michigan. Petitioner represented himself. The Department of Health and Human Services was represented by [REDACTED], Hearing Facilitator.

ISSUE

Did the Department of Health and Human Services (Department) properly deny Petitioner's application for Food Assistance Program (FAP) and 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. On [REDACTED], the Department received Petitioner's application for Food Assistance Program (FAP) and Medical Assistance (MA) benefits.
2. On [REDACTED], the Department sent Petitioner a Verification Checklist (DHS-3503) with a [REDACTED]. Exhibit A, pp 2-12.
3. On [REDACTED], the Department received a copy of an ATM receipt showing an account balance but not listing Petitioner as the owner. Exhibit A, p 13.
4. On [REDACTED] the Department received copies of Petitioner's paycheck stubs, which were unreadable after being scanned into the Department's electronic case files. Exhibit A, pp 15-16.

5. On [REDACTED], the Department notified Petitioner that his Food Assistance Program (FAP) application had been denied. Exhibit A, pp 18-21.
6. On [REDACTED], the Department notified Petitioner that his Medical Assistance (MA) application had been denied. Exhibit A, pp 22-25.
7. On [REDACTED], the Department received Petitioner's request for a hearing protesting the denial of Food Assistance Program (FAP) and Medical Assistance (MA) benefits.

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.

All earned and unearned income available is countable unless excluded by policy. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2017).

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 (January 1, 2018), 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 (January 1, 2018), 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 1-10.

On [REDACTED], the Department received Petitioner's application for FAP and MA benefits. On [REDACTED], the Department requested that Petitioner provide verification of his income, his assets, and other information necessary to process his application for assistance. On [REDACTED] the Department denied his application for FAP and MA benefits.

Petitioner responded to the [REDACTED], request for information by submitting a copy of an ATM receipt showing the balance of a bank account, which is a countable cash asset. This document did not include sufficient information to identify Petitioner as the account holder. Therefore, the documentation submitted by Petitioner was insufficient to verify his countable cash assets, and the Department was unable to accurately determine his eligibility for FAP benefits.

On [REDACTED], the Department received copies of Petitioner's paycheck stubs. The Department found these documents to be insufficient to accurately determine Petitioner's eligibility for MA benefits because they were found to be unreadable when retrieved from the Department's electronic case file system.

Self-attestation is acceptable for most eligibility factors. Citizenship, social security numbers and lawful presence require documentation. The Department will send a case action notice when the client indicates a refusal to provide a verification or the time period given has elapsed. BEM 130, pp 4-8.

Petitioner's application for MA benefits was denied for failure to provide verification of his income by the due date. No evidence was presented on the record that there was

any other information missing to accurately determine Petitioner's eligibility for MA benefits because he was potentially eligible for a category of MA that has no asset test and housing expenses are not relevant to MA eligibility.

This Administrative Law Judge finds that Petitioner did not refuse to verify his income. Petitioner made a reasonable attempt to provide verification of his income and he had no reason to know that the document he submitted was unreadable after being stored in the Department's electronic case file. The paycheck stubs can be differentiated from the ATM receipt because the ATM receipt does not contain sufficient information for the Department to determine a required eligibility factor for FAP benefits, while the paycheck stubs presumably would provide all the necessary information to determine Petitioner's eligibility for MA benefits if they were readable. Since Petitioner willingly provide copies of the paycheck stubs in a timely manner, the Department had a duty to contract him for additional information when the copies were found to be unreadable, or to verify the income he self-attested to on the application form from some other trusted source of information available to the Department such as its data exchange with the Michigan Unemployment Insurance Agency.

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 Food Assistance Program (FAP) benefits but did not act in accordance with Department policy when it denied Petitioner's application for Medical Assistance (MA) benefits.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED with respect to the Food Assistance Program (FAP) but REVERSED with respect to Medical Assistance (MA).

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:

Provide Petitioner with a ten-day period to provide another copy of his paycheck stubs and reprocess his [REDACTED], application for Medical Assistance (MA) in accordance with policy with adequate notice to Petitioner.

KS/hb



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) 763-0155; 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]