



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: August 3, 2018
MAHS Docket No.: 18-006298
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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; 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, a telephone hearing was held on July 25, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

ISSUE

The issue is whether MDHHS properly terminated 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. Petitioner was an ongoing FAP recipient. Petitioner's FAP benefit period lasted through May 2018.
2. On an unspecified date, Petitioner reported to MDHHS that she had a checking and savings account.
3. On April 27, 2018, Petitioner submitted redetermination documents to MDHHS. (Exhibit A, pp. 2-3). Petitioner reported no change in assets. Petitioner's submission did not include bank account documents.

4. On May 11, 2018, MDHHS mailed a Verification Checklist (VCL) requesting various proofs, including verification of a savings and checking account. Petitioner's due date to return the proofs was May 21, 2018. (Exhibit A, pp. 4-5)
5. On May 18, 2018, MDHHS received verification of Petitioner's checking account (Exhibit A, pp. 8-9)
6. On May 31, 2018, MDHHS mailed Petitioner a Notice of Case Action informing Petitioner of a pending termination of FAP benefits, effective June 2018. (Exhibit A, pp. 10-13)
7. On June 5, 2018, MDHHS received Petitioner's savings account statement covering December 28, 2017, through January 29, 2018. (Exhibit A, pp. 14-21)
8. On June 15, 2018, Petitioner requested a hearing to dispute the termination of FAP benefits beginning June 2018.

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

Petitioner requested a hearing to dispute a termination of FAP benefits beginning June 2018. MDHHS presented a Notice of Case Action (Exhibit A, pp. 10-13) dated May 31, 2018. The notice informed Petitioner of a termination of FAP benefits due to Petitioner's failure to adequately verify savings account information during a redetermination of benefits.

For FAP benefits, the redetermination process begins when the client files redetermination documents. BAM 210 (January 2018), p. 3. Benefits stop at the end of the benefit period unless a redetermination is completed and a new benefit period is certified. *Id.* The DHS-3503, Verification Checklist, should be sent after the redetermination interview for any missing verifications allowing 10 days for their return. *Id.*, p. 17. Verifications must be provided by the end of the current benefit period or within 10 days after they are requested, whichever allows more time. *Id.*

Assets must be considered in determining FAP eligibility. BEM 400 (April 2017), p. 1. Assets for FAP benefits must be \$5,000 or less. *Id.*, p. 5. MDHHS is to verify countable assets at application, redetermination, and when a change is reported. *Id.*, p. 59.

Policy mandates that MDHHS verify assets at a client's redetermination. This mandate allowed MDHHS to request verification from Petitioner via VCL. When Petitioner verified her checking account information, but not her savings account information, MDHHS properly initiated termination of Petitioner's FAP eligibility.

Petitioner responded to the closure notice by submitting (or having her bank submit) a savings account statement from January 2018. MDHHS reasonably did not accept the statement as acceptable verification due to its age. Per BAM 130, non-permanent documents (such as bank statements) must be current which is defined as dated within 60 days from the date of eligibility determination. Petitioner's savings account submission was not "current" as defined by BAM 130, and therefore, not acceptable.

Petitioner testified that the savings account statement reflected her last statement before she closed the account. Petitioner's savings account statement would have been adequate verification if the statement verified account closure; an examination of the savings statement did not indicate that Petitioner's account was closed. Thus, MDHHS had no reason to accept Petitioner's savings account statement as verification of current assets.

MDHHS testimony further indicated unawareness, as of the case closure date, that Petitioner had closed her savings account. Thus, MDHHS had no reason to request proof of savings account closure from Petitioner.

Given the evidence, it is found that Petitioner failed to verify savings account information. As a result, MDHHS properly terminated Petitioner's FAP eligibility effective June 2018.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's FAP eligibility effective June 2018. The actions taken by MDHHS are **AFFIRMED**.

CG/tm



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) 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]
[REDACTED]
[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

CC:

[REDACTED]