



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: June 30, 2017
MAHS Docket No.: 17-005868
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 June 22, 2017, from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by Valarie Foley, Hearing Facilitator.

ISSUE

Did the Department properly close the Petitioner's Food Assistance Program (FAP), Family Independence Program (FIP) Cash Assistance and Medical Assistance (MA) for failure to verify information?

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 Petitioner was a recipient of FAP, FIP and MA.
2. A Wage Match Client Notice was sent to Petitioner on January 18, 2017, with a return due date of February 17, 2017, and requested that Petitioner return the last 30 days of paystubs for the employer City of Detroit. Exhibit A.
3. The Petitioner testified that she provided the information.
4. The Petitioner acknowledged receipt of the Wage Match Notice.

5. The Petitioner signed a Notice of Resignation from her job with the City of Detroit on September 29, 2016. The Notice of Resignation was provided to the Department on September 29, 2016. Exhibit B.
6. The Petitioner also provided the Notice of Resignation to the Department again on January 24, 2017. Exhibit B.
7. The Department sent the Petitioner a Wage Match Client Notice on January 18, 2017, regarding Bhakti Enterprises, Inc., which was to be returned on February 17, 2017. The Wage Match requested that Petitioner provide the last 30 days of paystubs. Exhibit C.
8. On January 11, 2017, the Petitioner provided the Department paystubs for herself regarding the UPS Store-Livonia and for Bhakti Enterprises for her daughter, Brianna Houze, to the Department faxed on January 11, 2017, and also date-stamped received January 18, 2017. Exhibit D.
9. A Verification Checklist (VCL) was sent to the Petitioner on January 11, 2017, regarding her Cash Assistance case requesting a more current bank statement for either December or January. The Verification also requested last 30 days of paystubs for Petitioner and her daughter, Brianna Houze, and school attendance for Joshua Watson. Exhibit E. All the information requested was provided and was completed by the Petitioner.
10. A Change Report was completed on March 5, 2017, and faxed to the Department noting a change of employment for Petitioner and a new job, noting pay of \$10/hr. paid biweekly and 40 hours of work weekly. The Change Report also noted that her daughter, Hannah Houze, was pregnant. Exhibit F.
11. The Petitioner faxed a letter to the Department regarding the start of the job in the Change Report that was not in the Department's electronic case file. Exhibit F
12. The Department sent another VCL to the Petitioner on March 8, 2017, due March 20, 2017, requesting last 30 days of paystubs for Petitioner and verification of loss of employment. The VCL also asked for a current rent receipt showing amount, address and landlord. The verification was sent regarding the FAP program. Exhibit G.
13. The Department did not present the redetermination which was returned by Petitioner, or a Notice of Case Action regarding any actions taken with respect to Petitioner's FAP, FIP and MA benefits. The hearing summary states: "there has been no verification of current job(s) status for grantee and no verification of job stop at UPS. Dates of documents she has returned show that they were not timely. Bridges initiated benefits closure as a result effective June 1, 2017."

14. The Petitioner returned information to the Department on March 24, 2017. This information was not provided by the Department for review at the hearing. See Hearing Request.
15. The Petitioner requested a timely hearing on May 1, 2017, protesting the Department's actions.

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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Department of Human Services) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101-.3131.

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, the Department allegedly closed the Petitioner's case when she allegedly failed to provide complete verification. Because the Department did not provide a Notice of Case Action regarding the closure, no proof was presented that the case closed, when the case closed, and why specifically each benefit closed. The Department's verification dated January 23, 2017, requested the last 30 days of check stubs or earnings statement. Exhibit E. The Petitioner also provided an Employee Notice of Resignation to the Department on March 5, 2017, indicating she had resigned her employment with the City of Detroit on September 29, 2016. The Petitioner testified that she had previously submitted the form to the Department around the time she resigned and resubmitted the form again on March 5, 2017.

The Petitioner also provided paystubs for herself and her daughter regarding Bhakti and UPS. At the hearing, the Petitioner credibly testified that they were one in the same employer explaining that the employer was a UPS store and the owner was Bhakti.

The Petitioner provided a change report regarding a new job on March 5, 2017. The Department then sent a VCL dated March 8, 2017, requesting information regarding loss of employment and another last 30 days of check stubs. The VCL was due March 20, 2017. The VCL did not identify any of the employers by name or date with respect to loss of employment. The Department testified that a redetermination for FAP was being processed but no redetermination information was provided by the Department so the dates of the redetermination, whether an interview was conducted and when the eligibility period ended for the redetermination were not established by the evidence. Because this information was not available, it could not be determined if the information submitted "late" could still have been considered and the case further processed. See BAM 210 (June 1, 2017), pp. 19 and 20, Subsequent Processing. The Petitioner's Hearing Request notes that information was returned to the Department on March 24, 2017, this information was not provided by the Department.

In this case, ultimately it is determined that the Department did not meet its burden of proof. The Department's VCL with respect to loss of employment (March 8, 2017) may have been verified with the Notice of Resignation provided by the Petitioner and is evidence that she left her employment with the City of Detroit on September 29, 2016, when she completed the form. The form is evidence of her job ending and should have been sufficient to establish ending of employment. If the form was not sufficient, the Department should have advised the Petitioner. The Department did not provide or request that a Loss of Employment form be completed by the Petitioner for ending of employment and also did not specify the employer or dates involved. In addition, if there was another employer that the Department needed verification for loss of employment, the Department should have specified on the VCL what information regarding what employer it was seeking, or the applicable time period. In addition, it is not clear based upon the evidence provided what information was not returned, nor is it clear what information was returned late. As no Notice of Case Action was provided, no date was available as to when it was sent and why. Therefore, the Department did not explain sufficiently why the Petitioner's case closed and which benefits closed; thus, it could not be determined whether the closure(s) of the case by the Department complied with Department policy.

In seeking verification the Department is required to:

Tell the client what verification is required, how to obtain it, and the due date; see **Timeliness of Verifications** in this item. Use the DHS-3503, Verification Checklist (VCL), to request verification. BAM 130 (April 1, 2017) p. 3. (Emphasis supplied).

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. BAM 130, p. 8.

Exception: At redetermination, **FAP** clients have until the last day of the redetermination month **or** 10 days, whichever is later, to provide verification; see BAM 210. BAM 130, p. 8

Based upon the evidence presented, it could not be determined whether the Department correctly closed the Petitioner's FAP, MA and FIP cases.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed the Petitioner's FAP, FIP and MA benefits.

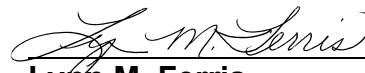
DECISION AND ORDER

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. The Department shall reinstate the Petitioner's FAP, MA and FIP benefits from the date of closure and determine eligibility ongoing.
2. The Department shall issue supplements for the benefits which are reinstated in accordance with Department policy.

LMF/jaf



Lynn M. Ferris
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

Petitioner



DHHS

Wayne (19)

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