



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]
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[REDACTED], MI [REDACTED]

Date Mailed: October 25, 2024
MOAHR Docket No.: 24-010849
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 hearing was held by telephone on October 16, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Eileen Kott, Family Independence Manager, and Arnesia Woods, Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) case effective October 1, 2024?

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 August 8, 2024, Petitioner verbally reported to the Department that she had a change of employment and was self-employed. (Exhibit A, p. 55, Entry 93).
2. On August 8, 2024, the Department provided Petitioner with a Verification Checklist (VCL), requesting verification of Petitioner's self-employment income by August 19, 2024, and providing Petitioner with Self-Employment Income and Expense Statements (SE I/E) for July and August 2024. (Exhibit A, pp. 43, 46 – 49).
3. On August 9, 2024, the Department received a formal change report from Petitioner, reporting the change in employment to self-employed, and a SE I/E with

multiple documents attached. The documents included a weekly summary from [REDACTED] (Contractor). (Exhibit A, pp. 2, 8, 50).

4. On September 7, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) that closed Petitioner's FAP case effective October 10, 2024 for failure to provide requested verifications. (Exhibit A, pp. 51 – 52).
5. On September 9, 2024, Petitioner resubmitted the July 2024 SE I/E she previously submitted on August 9, 2024, and submitted a SE I/E for August 2024. (Exhibit A, pp. 10 – 42, 50).

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).

Petitioner requested a hearing and indicated that the programs in dispute were State Emergency Relief (SER), Medicaid (MA), and FAP.

At the onset of the hearing, Petitioner indicated that her request as to SER was in error and requested to withdraw that request. The Department had no objection. Therefore, Petitioner's request for hearing regarding SER is dismissed. Petitioner also explained that she requested a hearing as to her MA only in the event it was closed as a result of the instant FAP issue. There was no evidence or testimony that Petitioner's MA was closed. Therefore, Petitioner's request for hearing regarding MA is dismissed.

The only remaining issue to be decided is whether the Department properly closed Petitioner's Food Assistance Program (FAP) case effective October 1, 2024.

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.

Petitioner requested a hearing to dispute the closure of her FAP case effective October 1, 2024. The Department closed Petitioner's FAP case due to Petitioner's failure to return verification of her self-employment income.

Verification is usually required when a reported change affects eligibility or benefit level, and when new self-employment income information is unclear, inconsistent, or questionable. BAM 130 (May 2024), p. 1; BEM 500 (April 2022), pp. 13 – 14; BEM 502

(June 2024), p. 6; BEM 505 (October 2023), p. 14. To obtain verification, the Department must tell the client what verification is required, how to obtain it and the due date. BAM 130, p. 3. For FAP, the Department allows the client ten calendar days to provide the requested verification and verifications are considered timely if received by the date that they are due. BAM 130, p. 7. If verifications provided by the client conflict with information from another source, the Department must give the client an opportunity to resolve the discrepancy before determining eligibility. BAM 130, p. 9. The Department sends a negative action notice when the client indicates a refusal to provide the requested verification, or the time period given on the VCL has lapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 7.

In this case, on August 8, 2024, Petitioner verbally reported to the Department that she became self-employed and the Department provided Petitioner with a VCL, requesting verification of Petitioner's self-employment income by August 19, 2024, and providing Petitioner with blank SE I/E forms for July and August 2024. (Exhibit A, pp. 43, 46 – 49, 55 (Entry 93)). The next day, on August 9, 2024, Petitioner submitted a written change report regarding her self-employment; she reported that it began on July 19, 2024, and that she expected to have \$ [REDACTED] in gross monthly income and \$650.79 in monthly business expenses, and included a SE I/E statement for July 2024 with receipts. (Exhibit A, pp. 8, 10 – 25). The SE I/E referred the Department to an attached statement from Contractor for verification of her income. (Exhibit A, p. 10). However, the statement from Contractor was for the period of July 29, 2024 through August 5, 2024 with each itemized date of service being August 2024, was unclear as to what amount, if any, was paid to Petitioner in July 2024, and could not be reconciled with the information Petitioner provided on the change report. (Exhibit A, pp. 8, 12 – 20); BEM 502, p. 6. On September 7, 2024, the Department sent Petitioner a NOCA that closed Petitioner's FAP case effective October 1, 2024, for failure to provide the requested verifications. (Exhibit A, pp. 51 – 52).

On September 9, 2024, Petitioner resubmitted the July SE I/E and receipts, and a SE I/E and receipts for August 2024. (Exhibit A, pp. 10 – 42). The July documents were unchanged, and the statement for the August SE I/E was for the period of August 5 through August 9, 2024, not the entire month of August. (Exhibit A, pp. 15 – 20, 28). Eligibility Specialist (ES) Woods testified that she met with Petitioner on September 13, 2024 and informed her that the SE I/Es for both July and August 2024 were not completed correctly and that she reviewed the issues with Petitioner and gave Petitioner the opportunity to correct and resubmit the forms. Petitioner agreed with the Department's representations but testified that when she returned to meet with ES Woods on September 16, 2024, another Department worker told her the original forms were sufficient, Petitioner was not satisfied with the service she received from the Department, and Petitioner chose not to provide revised SE I/E forms.

Because the information Petitioner provided on her written change report was inconsistent with the documents she provided with the change report, the Department was obligated to provide Petitioner an opportunity to resolve the discrepancy before closing Petitioner's FAP case for failure to provide the requested verifications. BAM

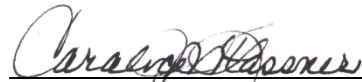
130, p. 9. Although the Department sent the NOCA to Petitioner closing her FAP case before discussing the discrepancies with her, the Department did give Petitioner the opportunity to resolve the issue before the effective date of her FAP closure, and Petitioner chose not to. Whether Petitioner's failure to return complete and corrected SE I/E forms is considered a refusal to provide verifications, or that she did not make a reasonable effort to resolve the discrepancies with her verifications, she did not provide the requested information when given the opportunity to do so. Therefore, the Department properly closed Petitioner's FAP case effective October 1, 2024.

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 FAP case effective October 1, 2024.

DECISION AND ORDER

Accordingly, Petitioner's requests for hearing on SER and MA are **DISMISSED** and the Department's decision is **AFFIRMED** with respect to its closure of Petitioner's FAP case effective October 1, 2024.

CML/nr



Caralyce M. Lassner
Administrative Law Judge

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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:
Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

Via-Electronic Mail :

DHHS

Dora Allen

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4733 Conner Suite G 7 Lappin

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Interested Parties

BSC4

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Petitioner

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