Michigan Office of Administrative Hearings and Rules P.O. Box 30639 Lansing, MI 48909





Date Mailed: March 20, 2025 **Docket No.:** 25-007045

Case No.: Petitioner:

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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; and Mich Admin Code, R 792.11002. After due notice, a hearing was held via telephone conference on March 12, 2025. Petitioner appeared for the hearing and represented himself. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Marcella Towns, Assistance Payments Worker.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) and Medical Assistance (MA) program cases?

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 recipient of FAP and MA benefits.
- 2. On around 2024, Petitioner submitted an application requesting cash assistance benefits from the Department. On the application, Petitioner reported that no one in his household has had a change in employment in the last 30 days and that he is employed an average of 40 hours per week, earning 200 biweekly. (Exhibit A, pp. 6-12)

- 3. On or around October 22, 2024, the Department sent Petitioner a Verification Checklist (VCL) instructing him to submit verification of income by November 1, 2024, as the Department needed to determine his eligibility for FAP, Cash assistance, and MA. The VCL informed Petitioner that he was to submit his pay stubs for the last 30 days, an employer statement, or the verification of employment form. (Exhibit A, pp. 15, 23)
- 4. The Department asserted that Petitioner failed to submit verification of income by November 1, 2024.
- 5. On or around November 12, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice advising him that effective December 1, 2024, he was ineligible for MA benefits because he failed to return verification of income. (Exhibit B)
- 6. On or around November 12, 2024, the Department sent Petitioner a Notice of Case Action advising that his cash assistance application was denied because he failed to attend the PATH program orientation. The Notice of Case Action also advises Petitioner that effective December 1, 2024, his FAP case would be closed because verification of earned income was not returned. (Exhibit A, pp. 24-28)
- 7. On or around January 7, 2025, the Department sent Petitioner a VCL instructing him to submit verification of income by January 17, 2025, as the Department needed to determine his eligibility MA. The VCL details indicated that the pending verifications needed were for Modified Adjusted Gross Income (MAGI). (Exhibit A, pp. 14, 29)
- 8. On or around February 7, 2025, Petitioner requested a hearing disputing the Department's actions with respect to the closure of his FAP and MA cases. (Exhibit A, pp. 3-5)
- 9. On or around March 12, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising him that effective March 1, 2025, ongoing, he was approved for full coverage MA benefits. The notice does not reference Petitioner's eligibility for MA from the case closure date of December 1, 2024, through February 28, 2025. (Exhibit B)

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 requested a hearing disputing the closure of his FAP and MA cases effective December 1, 2024.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (May 2024), p.1. To request verification of information, the Department sends a verification checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. Although the client must obtain the required verification, the Department must assist if a client needs and requests help. If neither the client nor the Department can obtain the verification despite a reasonable effort, the Department is to use the best available information; and if no evidence is available, the Department is to use its best judgment. BAM 130, pp. 3-4.

For FAP cases, clients are given 10 calendar days to provide the verifications requested by the Department. Verifications are considered to be timely if received by the date they are due. The Department sends a negative action notice when the client indicates a 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, pp. 7-8.

For MA cases, clients are given 10 calendar days (or other time limit specified in policy) to provide the verifications requested by the Department. BAM 130, pp. 7-9. If the client cannot provide the verification despite a reasonable effort, the Department is to extend the time limit to submit the verifications up to two times. BAM 130, pp. 7-9. Verifications are considered to be timely if received by the date they are due. BAM 130, pp. 7-9. The Department will send a negative action notice when the client indicates refusal to provide a verification, or the time period given has lapsed. BAM 130, pp. 8-9.

At the hearing, the Department representative testified that in connection with the FIP application submitted on 2024, the Department issued the October 22, 2024, VCL, instructing Petitioner to submit verification of his income by November 1, 2024, to determine his eligibility for cash assistance, FAP benefits and MA benefits.

The Department representative testified that because Petitioner failed to submit verification of his income by the November 1, 2024, due date identified on the VCL, the Department initiated the closure of his FAP and MA cases effective December 1, 2024, by issuing the November 12, 2024, Notice of Case Action and Health Care Coverage Determination Notice. The Department representative testified that there was no evidence that Petitioner requested an extension or additional time to submit the requested verification or that Petitioner requested assistance from the Department in obtaining the verifications that were

requested. While the Department asserted that Petitioner's MA case had not actually closed effective December 1, 2024, and instead, was placed in pending status, the Department did not present any evidence in support of this testimony and Petitioner asserted that he attempted to receive medical treatment and was informed by his medical providers that he did not have active coverage.

Petitioner did not dispute that he received the VCL. Petitioner testified that after submitting the application requesting cash assistance benefits, he attended PATH orientation and decided that he no longer wanted to receive cash assistance benefits and thus, did not return the income verifications. Petitioner asserted that his 2024, application only requested cash assistance benefits and there were no changes reported on his application with respect to income. The Department confirmed that the income information reported on the application was the same that the Department had on file. Petitioner asserted that this income information had recently been used by the Department to determine his continued FAP and MA eligibility. This was also not disputed by the Department.

The Department did not present any evidence to dispute Petitioner's assertion that in connection with a semi-annual review for his FAP case in September 2024, the Department sent him a Notice of Case Action on September 20, 2024, certifying his approval for FAP benefits from November 1, 2024, through April 30, 2025. Petitioner asserted that the Department also sent him a Health Care Coverage Determination Notice on September 20, 2024, approving his ongoing MA benefits for November 1, 2024, ongoing.

While the Department argued that Petitioner's submission of the cash assistance application automatically triggers a review of eligibility for all active programs as well, the Department failed to identify any Department policy outlined in the BAM, BEM, or other regulations in support of its testimony. BAM 105 provides that the Department will determine eligibility and benefit amounts for all requested programs and will review the effect on eligibility whenever the client reports a change in circumstances. BAM 105 (March 2024), p. 17. Similar policy is outlined in BAM 220 Case Actions with respect to applications and reported changes that require case action.

In this case, there were no income changes reported on the assistance application and no evidence presented that Petitioner had a change in earnings since the time his FAP and MA benefits were recertified as approved on September 20, 2024. Additionally, the Department presented a Health Care Coverage Determination Notice dated March 12, 2025, approving Petitioner for ongoing full coverage MA benefits from March 1, 2025, ongoing. The Department provided no explanation for why Petitioner's MA benefits were reinstated for March 1, 2025, ongoing, but not for the period of December 1, 2024, through February 28, 2025.

Upon review, the Department failed to establish that it properly closed Petitioner's FAP and MA cases effective December 1, 2024, as the Department failed to show that the income requested was required in order to determine Petitioner's ongoing FAP and MA eligibility, in light of his recent approval for FAP and MA, as well as, no changes in his income.

It is noted that in Petitioner's Brief, admitted as Exhibit 1, Petitioner identifies additional request for relief that the undersigned Administrative Law Judge does not have the authority to address. (Exhibit 1). See Mich Admin Code, Rule 792.11002(1); BAM 600, pp. 4-6; Delegation of Authority issued on October 30, 2020, by Robert Gordon, then Director, Michigan Department of Health and Human Services).

DECISION AND ORDER

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 Petitioner's FAP and MA cases effective December 1, 2024.

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 and MA cases effective December 1, 2024;
- 2. Provide Petitioner with MA coverage under the most beneficial category, that he was entitled to receive but did not from December 1, 2024, ongoing;
- 3. Provide Petitioner with a DHS-333, Retroactive Period/Corrective Action Eligibility Notice and a DHS-334, Reimbursement Notice and process in accordance with BAM 600;
- 4. Issue FAP supplements to Petitioner for any benefits he was eligible to receive but did not from December 1, 2024, ongoing, in accordance with Department policy; and
- 5. Notify Petitioner in writing of its decisions.

ZAINAB A BAYDOUN
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at https://lrs.michbar.org or Michigan Legal Help at https://michiganlegalhelp.org. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to <u>MOAHR-BSD-Support@michigan.gov</u>, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to Michigan Office of Administrative Hearings and Rules Rehearing/Reconsideration Request P.O. Box 30639 Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail: Respondent

WAYNE-INKSTER-DHHS 26355 MICHIGAN AVE INKSTER, MI 48141

MDHHS-WAYNE-19-HEARINGS@MICHIGAN.GOV

Interested Parties

BSC4

B CABANAW M HOLDEN M SCHAEFER

EQAD MOAHR

Via First Class Mail:

Petitioner