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





Date Mailed: May 16, 2025 Docket No.: 25-014141 Case No.:

Petitioner:

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Case No.:

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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 May 8, 2025. Petitioner appeared for the hearing and represented herself. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Deidra Livernois, Family Independence Manager and Raquisha Hall, Eligibility Specialist.

<u>ISSUE</u>

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:

Petitioner was an ongoing recipient of FAP and MA benefits.

1.

- 2. On or around 2025, Petitioner submitted an application requesting State Emergency Relief (SER) benefits. On the application, Petitioner reported a change in employment. Petitioner reported that she was terminated from her previous job and that she gained new employment with (Exhibit A, pp. 7-13)
- 3. On or around January 28, 2025, the Department sent Petitioner a Verification Checklist (VCL) instructing her to submit proof of her new income from for the last 30 days and proof of her loss of employment with by February 7, 2025. (Exhibit A, pp. 14-16)
- 4. On or around February 3, 2025, Petitioner submitted verification of her loss of employment with (Exhibit A, pp. 23-25)
- 5. On or around February 3, 2025, Petitioner submitted her first paycheck with

- 6. The Department determined that Petitioner failed to comply with the VCL and did not submit all requested verifications.
- 7. On or around February 19, 2025, the Department sent Petitioner a Notice of Case Action advising that effective April 1, 2025, her FAP case would be closed because verification of earned income was not returned. (Exhibit A, pp. 26-29)
- 8. On or around February 19, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective April 1, 2025, she was ineligible for MA benefits because verification of income was not returned.
- 9. On or around April 7, 2025, Petitioner requested a hearing disputing the Department's actions with respect to the FAP and MA programs. (Exhibit A, pp. 3-6)

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 her FAP and MA cases effective April 1, 2025.

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 because Petitioner reported a change in her income and employment on her 2025, SER application, the Department was required to verify her loss of employment and her new employment. As a result, it sent Petitioner the VCL dated January 28, 2025, instructing her to submit loss of employment from ExpertCare and proof of income for the last 30 days or a verification of employment form from her new employment with The Department representative testified that although Petitioner timely returned the loss of employment verification, because she did not submit a completed verification of employment from and only submitted one partial paystub, the Department determined that Petitioner failed to comply with the VCL. The Department initiated the closure of Petitioner's FAP and MA cases effective April 1, 2025, by issuing the February 19, 2025, Notice of Case Action and Health Care Coverage Determination Notice.

Petitioner confirmed that she received the January 28, 2025, VCL and testified that in response she submitted verification of her loss of employment from ExpertCare and her first paystub from Petitioner testified that at the time the VCL was issued, she had only received that one paycheck and submitted what she had to the Department. Petitioner testified that she started employment with at the end of January 2025 and was unable to work for a few weeks because her car was damaged in an accident. Petitioner stated that she did not receive any additional paychecks until several weeks later in March 2025.

Upon review, Petitioner established that she made a reasonable effort to comply with the request for verifications and did not indicate a refusal to submit requested verification of income. Petitioner timely submitted the loss of employment requested as well as her first paystub from her new employment as that is all she had available to her at the time of the VCL. As such, the Department failed to establish that it properly closed Petitioner's FAP and MA cases.

There was some additional testimony as to Petitioner ending her employment with and starting new employment with Detroit Policy Staffing, as well as a subsequent MA application and additional VCL that was issued; however, this is determined to be irrelevant to the current proceeding, as the FAP and MA cases were closed due to a failure to verify starting income from and unrelated to any subsequent denial or application processing.

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 did not act in accordance with Department policy when it closed Petitioner's FAP and MA cases effective April 1, 2025.

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 April 1, 2025;
- 2. Provide Petitioner with MA coverage under the most beneficial category, that she was entitled to receive but did not from April 1, 2025, ongoing;
- 3. Issue FAP supplements to Petitioner for any benefits she was eligible to receive but did not from April 1, 2025, ongoing, in accordance with Department policy; and
- 4. 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

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Interested Parties

BSC4

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Via First Class Mail: Petitioner

