

## ISSUE

The issue is whether MDHHS properly denied Petitioner's Family Independence Program (FIP) application.

## 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 **REDACTED**, 2025, Petitioner applied for FIP benefits and reported that she is disabled and pursuing disability benefits from the Social Security Administration (SSA).
2. On January 15, 2026, MDHHS denied Petitioner's application due to Petitioner failing to attend employment-related activities. MDHHS additionally imposed a disqualification against Petitioner from October 2025 through March 2026.
3. As of January 15, 2026, MDHHS neither deferred Petitioner from Partnership. Accountability. Training. Hope (PATH) attendance nor request documents from Petitioner supporting her claim of disability.
4. On January 26, 2026, Petitioner requested a hearing to dispute the denial of FIP benefits.

## CONCLUSIONS OF LAW

The 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. MDHHS administers FIP pursuant to 45 CFR 233to 45 CFR 261; MCL 400.10; the Social Welfare Act, MCL 400.1 *et seq.*; and Mich Admin Code, R 400.3101 to R 400.3131. FIP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner timely requested a hearing to dispute a denial of FIP benefits. Exhibit A, pp. 3-5. Petitioner applied for FIP benefits on **REDACTED**, 2025. Exhibit A, pp. 7-14. Petitioner actually reapplied for FIP benefits. A Notice of Case Action dated August 25, 2025, informed Petitioner of a termination of FIP benefits beginning October 2025. The notice also informed Petitioner of a three-month employment-related disqualification from October through December 2025. The notice advised Petitioner to reapply during the last month of the disqualification period. Notably, Petitioner's hearing request did not dispute the FIP benefit termination, only the denial.<sup>1</sup> Thus, the analysis will only consider the denial of Petitioner's FIP application dated **REDACTED**, 2025.

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<sup>1</sup> Clients have 90 days from the date of written notice to request a hearing (see BAM 600). Even if Petitioner did dispute the FIP termination, her hearing request date fell beyond the 90-day period to request a hearing.

A Notice of Case Action dated January 15, 2026, stated that Petitioner's FIP application was denied due to Petitioner's failure to engage in employment-related activities. Exhibit A, pp. 15-19. MDHHS additionally imposed a six-month employment-related disqualification from October 2025 through March 2026. MDHHS specifically alleged that Petitioner failed to attend PATH to begin the 10-day application eligibility period (AEP).

Completion of the 10-day PATH AEP part of orientation is an eligibility requirement for approval of a FIP application. BEM 229 (April 2025) p. 1. MDHHS is to deny the FIP application if an applicant does not complete all three components of the AEP. *Id.* PATH participants must complete the following three components of the AEP for their FIP application to be approved:

- Begin the AEP by the last date to attend as indicated on the DHS-4785, PATH Appointment Notice.
- Complete PATH AEP requirements.
- Continue to participate in PATH after completion of the 10-day AEP. *Id.*

Bridges, MDHHS's database, will automatically issue a DHS-4785, PATH Program Appointment Notice, at application, member add, or when a client loses a deferral to schedule an appointment for each mandatory PATH participant. *Id.*, pp. 5-6. The DHS-4785 will be generated overnight and can be viewed the next day in Correspondence History. *Id.*

MDHHS did not present evidence that a DHS-4785 was sent to Petitioner. Thus, the evidence did not establish that Petitioner was given proper notice of the requirement to attend PATH. However, the evidence also established that Petitioner should not have been sent to PATH.

Federal and state laws require each work eligible individual (WEI) in the FIP group to participate in PATH or other employment-related activity unless temporarily deferred or engaged in activities that meet participation requirements. BEM 230A (October 2022) p. 1. At intake, redetermination or anytime during an ongoing benefit period, when an individual claims to be disabled or indicates an inability to participate in work or PATH for more than 90 days because of a mental or physical condition, the client should be deferred from attending PATH. *Id.*, p. 11. Conditions include medical problems such as mental or physical injury, illness, impairment or learning disabilities. *Id.* This may include those who have applied for disability benefits from the SSA. *Id.*

On her application dated **REDACTED**, 2025, Petitioner reported that she was applying for disability benefits from the SSA. Exhibit A, p. 10. Petitioner also reported that she had a physical, mental, and/or emotional health condition that was disabling. *Id.* Rather than sending Petitioner to PATH, MDHHS should have deferred Petitioner from attendance while seeking medical documentation concerning Petitioner's claim of disability. MDHHS's testimony acknowledged that it neither deferred Petitioner from PATH participation nor requested verification of Petitioner's disability claim. Instead, MDHHS

expected Petitioner to attend PATH, denied Petitioner's application after she did not attend, and imposed a disqualification after Petitioner did not attend.

A WEI and non-WEIs (except ineligible grantees, clients deferred for lack of childcare, and disqualified non-citizens) who fails, without good cause, to participate in employment or self-sufficiency-related activities, must be penalized. BEM 233A (October 2022) p. 1. Depending on the case situation, penalties include the following:

- Delay in eligibility at application.
- Ineligibility (denial or termination of FIP with no minimum penalty period).
- Case closure for a minimum of three months for the first episode of noncompliance, six months for the second episode of noncompliance and lifetime closure for the third episode of noncompliance. *Id.*

Notably, disqualification periods may be imposed for case closures, but not for application denials. Thus, MDHHS had no known basis to impose a disqualification penalty when it denied Petitioner's application.

The evidence established that MDHHS failed to defer Petitioner from PATH after Petitioner's claim of disability. The evidence also established that MDHHS improperly denied Petitioner's FIP application. The evidence further established that MDHHS improperly imposed a disqualification period against Petitioner for the improper application denial. As a remedy, Petitioner is entitled to a reprocessing of her FIP benefit application.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's FIP application. It is ordered that MDHHS commence the following actions within 10 days of the date of mailing of this decision:

- (1) Reprocess Petitioner's FIP application dated **REDACTED**, 2025, subject to the finding that MDHHS improperly denied the application, in part, due to a failure to consider Petitioner's claim of disability;
- (1) Delete the disqualification period from October 2025 through March 2026; and
- (2) Issue notice and supplements, if any, in accordance with policy.

The actions taken by MDHHS are **REVERSED**.