

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],

Claimant

Reg. No.: 2009-26582  
2009-26583  
Issue No.: 2001/2009/4031  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
August 19, 2009  
Macomb County DHS (12)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on August 19, 2009. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department.

ISSUE

1. Whether the Department properly determined that the Claimant was not disabled for purposes of the Medical Assistance ("MA-P")?
2. Whether the Department properly terminated the Claimant's State Disability Assistance ("SDA") benefits due to excess income?
3. Whether the Department properly determined the Claimant was not eligible for benefits under the Adult Medical Program ("AMP") due to excess income?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material and substantial evidence on the whole record, finds as material fact:

1. In January of 2009, the Social Security Administration (“SSA”) denied the Claimant’s SSI application.
2. The Claimant submitted a public assistance application seeking MA-P and SDA benefits on March 26, 2009.
3. The Claimant failed to appeal the SSA’s determination.
4. On May 6, 2009, the Medical Review Team (“MRT”) denied the Claimant’s MA-P benefits finding the Claimant’s impairment lacked duration of 12 months or longer. (Exhibit 1, pp. 40, 41)
5. The Claimant’s SDA benefits were approved.
6. The Claimant worked and/or collected unemployment compensation earning more than \$980.00 per month.
7. On May 9, 2009, the Department sent the Claimant notification informing her that the MRT found her not disabled. (Exhibit 4)
8. On this same date, May 9, 2009, the Department sent the Claimant notification that she was determined ineligible under the Adult Medical Program due to excess income. (Exhibit 2)
9. On May 9<sup>th</sup>, the Department sent notification to the Claimant informing her that due to excess income, the SDA benefits were terminated. (Exhibit 3)
10. On May 13, 2009, the Department received the Claimant’s written requests for hearing.

11. On June 30, 2009, the State Hearing Review Team (“SHRT”) found the Claimant not disabled. (Exhibit 5)

#### CONCLUSIONS OF LAW

The Medical Assistance (“MA”) program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act. 42 USC 1397 and is administered by the Department of Human Services pursuant to MCL 400.10, *et. seq.* The Department of Human Services (“DHS”), formally known as the Family Independence Agency, administers the program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Program Administrative Manual (“PAM”), the Program Eligibility Manual (“PEM”), and the Program Reference Manual (“PRM”). The Adult Medical Program (“AMP”) is part of the MA program. PEM 500

The disability standard for both disability related MA and SSI is the same. PEM 271 When the SSA determines that a client is not disabled/blind for SSI purposes, the client may appeal that determination at SSA. PEM 260 The SSA Appeals Process consists of three steps:

1. Reconsideration (if initial application filed prior to October 1, 1999)
2. Hearing
3. Appeals Council

PEM 260 The client has 60 days from the date he receives a denial notice to appeal a SSA action. PEM 260; PEM 271 A SSA determination becomes final when no further appeals may be made at SSA. PEM 260 Once a SSA’s determination that a disability or blindness does not exist becomes final, the MA case must be closed. PEM 260; PEM 271

The State Disability Assistance (“SDA”) program, which provides financial assistance for disabled persons, was established by 2004 PA 344. DHS administers the SDA program

purusant to MCL 400.10 et seq. and Michigan Administrative Code (“MAC R”) 400.3151 – 400.3180. Department policies are found in PAM, PEM, and PRM. A person is considered disabled for SDA purposes if the person has a physical or mental impariment which meets federal SSI disability standards for at least ninety days. Receipt of SSI or RSDI benefits based on disability or blindness, or the receipt of MA benefits based on disability or blindness (MA-P) automatically qualifies an individual as disabled for purposes of the SDA program.

The Department determines a client’s eligibility for program benefits based on the client’s actual income and/or prospective income. PEM 500 All countable earned and unearned income available to the client must be considered in determining the Claimant’s eligibility for program benefits. *Id.* Income eligibility for AMP exists when the program group’s net income does not exceed the program group’s AMP income limit. PEM 640 Currently (and at the time of denial/termination) the monthly AMP income limit is \$316.00 for an individual living independently. RFT 236 In order to determine an individual’s net income for AMP purposes, \$200.00 is deducted from the client’s gross earnings. PEM 640 Next, an additional 20% is deducted from the amount. *Id.* The net income figure is then compared with the AMP monthly income limit to determine eligibility. *Id.*

In the record presented, the SSA made a determination that the Claimant was not eligible for SSI on or about January 27, 2009. The SSA decision was not appealed thus became final and binding on the Claimant’s MA and SDA case. Additionally, the Claimant had income during the period at issue which exceeded the allowable income limits. Accordingly, the Department established it acted in accordance with department policy when it found the Claimant not disabled, cancelled the SDA benefits, and determined the Claimant was not eligible under the AMP (and SDA) programs due to excess income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law dismisses the Claimant's Request for Hearing based upon the final decision from the SSA. It is further held that the department acted in accordance with Department policy when it terminated the Claimant's SDA benefits and found the Claimant ineligible for AMP benefits due to excess income.

Accordingly, it is ORDERED:

1. The Claimant's Request for Hearing regarding the MA-P application is DISMISSED.
2. The Department's determinations regarding the SDA and AMP programs are AFFIRMED.

/s/  
Colleen M. Mamelka  
Administrative Law Judge  
For Ishmael Ahmed, Director  
Department of Human Services

Date Signed: 08/27/09

Date Mailed: 08/31/09

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to the Circuit within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

CMM/jlg

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