

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: 2009-17522

Issue No: 2006, 4003

Case No:

Load No:

Hearing Date:

May 20, 2009

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Steven M. Brown

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing. After due notice, a telephone hearing was conducted from [REDACTED] on May 20, 2009.

ISSUE

Whether the Department properly terminated Claimant's State Disability Assistance (SDA) and Medical Assistance (MA) benefits based upon his failure to provide requested verification(s)?

FINDINGS OF FACT

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

- (1) Claimant was a SDA and MA recipient.
- (2) On February 27, 2009, the Department mailed Claimant a Verification Checklist, DHS-3503, requesting personal and medical records, income records, asset

records and household expense records with a due date of March 9, 2009. The Verification Checklist states in pertinent part – “We need your help to determine your eligibility for (X) State Disability Assistance.” “You have been scheduled to attend an interview on March 9, 2009 for review of SDA benefits.” (Exhibit 1)

(3) On March 9, 2009, Claimant met with his caseworker, [REDACTED], and told her that he had not been able to contact his caseworker at [REDACTED] [REDACTED] so he was not able to return the Verification of [REDACTED] Status, DHS-4698. Claimant spoke with [REDACTED] a few days later and was informed that his case had closed so he returned a copy of the DHS-4698 he received from [REDACTED] when his case opened. The Department documented that it was missing a stamp, information, a date and was not signed with the correct worker or title. (Exhibit 3)

(4) On March 12, 2009, the Department mailed Claimant a Notice of Case Action informing him that his MA benefits would be cancelled effective March 24, 2009. (Notice of Case Action)

(5) On March 23, 2009, the Department received Claimant’s hearing request protesting the cancellation of his MA benefits. (Hearing Request)

#### CONCLUSIONS OF LAW

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. PAM 105, p. 5 Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. PAM 130, p.1 Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as local office option or information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. PAM 130, p.1 The Department uses documents, collateral contacts or home calls to verify information. PAM 130, p.1 A collateral contact is a direct contact with a person, organization or agency to verify information from the client. PAM 130, p. 2 When documentation is not available, or clarification is needed, collateral contact may be necessary. PAM 130, p. 2

Clients are allowed 10 calendar days (or other time limit specified in policy) to provide the verifications requested by the Department. PAM 130, p. 4 If the client cannot provide the verification despite a reasonable effort, the time limit should be extended no more than once. PAM 130, p. 4 Clients are allowed a reasonable opportunity to resolve any discrepancy between statements and information obtained through another source. PAM 130, p. 6 A negative action notice should be sent when the

client indicates a refusal to provide the verification or the time period provided has lapsed and the client has not made a reasonable effort to provide it. PAM 130, p.4

Disagreements and misunderstandings should be resolved at the lowest possible level to avoid unnecessary hearings. PAM 600, p. 11

In the instant case, there were a number of errors made by the Department on the Hearing Summary and/or other documents which made it difficult to understand the procedural history in the this case. The testimony of the Department and Claimant was marginally helpful in this regard. The Hearing Summary states that the date the department notified the client of the negative action was March 16<sup>th</sup> when it appears to have been by Notice of Case Action on March 12<sup>th</sup>. It further states that the department received Claimant's request for hearing on March 23<sup>rd</sup> with an effective date of the negative action of March 24, 2009, but the negative action was not deleted pending hearing. Going on, the Verification Checklist only addresses SDA and the Hearing Summary states that SDA was the program impacted by the action with no mention of MA which is what was cancelled by the March 12<sup>th</sup> Notice of Case Action. Finally, the Department listed no law or regulations used in taking the negative action on the Hearing Summary.

Claimant's SDA and MA benefits were terminated on March 24, 2009. They should not have been terminated given that he filed a timely request for hearing. In addition, the Department's position was that the termination was the result of Claimant not timely returning a properly completed DHS-4698. I do not believe that Claimant's SDA benefits should have been terminated as he was not given an extension once he timely informed his caseworker at the interview that he was having difficulty contacting

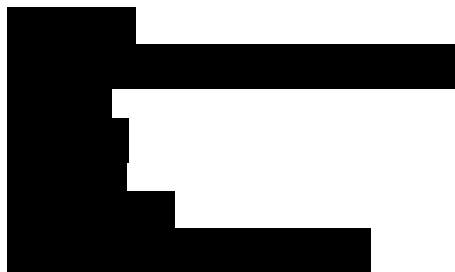


**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the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

The Claimant may appeal the Decision and Order to Circuit Court 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.

SMB/db

cc:

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