

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 20112698  
Issue No: 4003



ADMINISTRATIVE LAW JUDGE: Suzanne Morris

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on June 24, 2010. After due notice, a telephone hearing was held on March 1, 2011. The Claimant was present and testified.

**ISSUE**

Whether the Department of Human Services (Department) properly processed the Claimant's State Disability Assistance (SDA) application?

**FINDINGS OF FACT**

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

1. The Claimant's husband was hospitalized in the State of Washington.
2. While he was hospitalized, an Application for Assistance was submitted on May 20, 2010. (Department Exhibit pg 12-30).
3. On June 2, 2010 a DHS 3503 Verification Checklist was sent to the Claimant requesting various proofs by June 14, 2010. (Department Exhibit pg 36-37).
4. On June 15, 2010, a second DHS 3503 Verification Checklist was sent to the Claimant requesting various proofs by June 25, 2010. (Department Exhibit pg 38).
5. On June 8, 2010, the Claimant submitted a correspondence statement from Green Path Debt Solutions and 2 invoices from MC Contracting to the Department. (Department Exhibit 39-41).

6. On June 22, 2010, the Claimant was sent a DHS 1605 Notice of Case Action indicating that her SDA application was denied for failure to provide verification. (Department Exhibit pg 7-8).
7. On June 24, 2010, the Department received the Claimant's Request for Hearing.

### **CONCLUSIONS OF LAW**

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901 - .951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1) An opportunity for a hearing shall be granted to an applicant who requests a hearing because of a denial. MAC R 400.903(2).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM). Department policy states:

#### **BEM 214 DEPARTMENT POLICY SDA and AMP**

SDA is a cash program for individuals who are not eligible for FIP and are disabled or the caretaker of a disabled person. An SDA eligibility determination group (EDG) consists of either a single adult or adult and spouses living together. See BEM 261 for disability criteria. AMP follows SDA group composition policy, but does not require that a person be disabled or a caretaker.

#### **Eligibility Determination Group**

The **eligibility determination group (EDG)** means those adults living together whose information is needed to determine SDA Eligibility. Only an adult individual and his or her spouse who live together are included in an SDA EDG.

## **Certified Group**

The **certified group (CG)** means those persons in the EDG who meet all non-financial SDA eligibility factors. Countable income and assets of CG members are always considered in determining SDA eligibility.

## **BEM 500 DEFINITIONS ALL TOA**

**Income** Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if **not** paid directly such as income paid to a representative.

**Countable Income** income remaining after applying the policy in the income related items are called **countable**. This is the amount used to determine eligibility and benefit levels. Count all income that is **not** specifically excluded.

**Earned Income** Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit.

**Unearned Income** Unearned income is all income that is not earned.

**Gross Income** Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives.

## **BEM 515 DEPARTMENT POLICY FIP, RAPC and SDA Only**

The certified group must be in financial need to receive benefits. Need is determined to exist when budgetable income is less than the payment standard established by the department. Program, living arrangement, grantee status and certified group size are variables that affect the payment standard.

## **DEFINITIONS**

The **eligibility determination group**, EDG, means those persons living together whose information is needed to determine eligibility for assistance (see BEM 210 for FIP, BEM 215 for RAPC and BEM 214 for SDA).

The **certified group, CG**, means those persons in cash EDG who meet all non-financial eligibility factors.

**Exception:** Otherwise eligible persons who are serving an immunization penalty are included in the FIPCG.

### **BAM 105 Department Policy**

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of necessary forms; see Refusal to Cooperate Penalties in this item. Clients must completely and truthfully answer all questions on forms and in interviews. The client might be unable to answer a question about himself or another person whose circumstances must be known. Allow the client at least 10 days (or other timeframe specified in policy) to obtain the needed information.

### **Refusal to Cooperate Penalties All Programs**

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. Specific penalties can be found in the applicable BEM and BAM items.

### **Verifications All Programs**

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary; see BAM 130 and BEM 702.

### **BAM 130 Department Policy**

Verification is usually required at application/ redetermination **and** for a reported change affecting eligibility or benefit level.

### **Obtaining Verification**

Tell the client what verification is required, how to obtain it, and the due date; Use the DHS-3503, Verification Checklist (VCL), or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification.

### **Timeliness of Verifications**

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications

(fax, email), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day. Send a negative action notice when:

- The client indicates refusal to provide a verification, **or**
- The time period given has elapsed and the client has **not** made a reasonable effort to provide it.

In this case, the Claimant and her husband submitted an Application for Assistance requesting cash assistance or SDA. In order to be eligible for this program, the Department is required to determine the Claimant's group composition, income and assets. Claimants are required to comply with the local office to allow the Department to determine initial or ongoing eligibility. BAM 105. The Claimant listed employment with Catholic Social Services on the application. The Department sent a DHS Verification Checklist requesting verification for the Claimant's employment as well as her husband's self employment income. The Claimant did not submit any information regarding her employment. They submitted 2 invoices with MC Contracting but no explanation as to the documents. The Application for Assistance included bank accounts and Certificates of Deposits (CDs) as assets for the Group. The Verification Checklist requested verification of the assets in order to determine eligibility. The Claimant did not provide any of these documents. The Verification Checklist requested information regarding expenses such as insurance and lot rent. The Claimant did not submit any proof of these expenses. The only document submitted related to these items was an invoice for a debt solutions company. This is not the required authorization for any of the household expense as requested by the Verification Checklist.

The Claimant submitted 3 pages of notes that she claims are contacts made by the Hospital in Washington with the Department in an attempt to get assistance. However, a review of the documents show that from June 2 when the Verification Checklist was sent to the Claimant and June 25 when the Notice of Case Action was sent, there was only 2 calls. The first call was on June 2 indicating that the application had been received. The second call was on June 18 and a voice mail was left. There is nothing during this time period indicating that any documents requested by the Verification checklist were submitted. Furthermore, it is unclear how the hospital in Washington would have employment verification, lot rent verification, or bank statements. There is nothing in the records to indicate that the Claimant contacted the Department requesting assistance in obtaining the requested verifications. It is the responsibility of the Claimant to obtain and provide the necessary documents to verify eligibility. BAM 105. The Claimant in this matter failed to provide the necessary verification documents within the required timeframes. As a result of the Claimant's failure to provide the necessary verification documents, the Department was unable to determine eligibility for case or SDA program.

