

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES**

IN THE MATTER OF:



Reg. No.: 201321225
Issue No.: 2018; 4013
Case No.: [REDACTED]
Hearing Date: May 8, 2013
County: Wayne (41)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on May 8, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly deny Claimant's application for State Disability Assistance (SDA) and Medical Assistance (MA)?

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 or about July 6, 2012, Claimant applied for SDA and MA.
2. On December 12, 2012, the Department sent Claimant a Notice of Case Action denying her SDA application because her countable income exceeded the limit for the program and denied her MA application because she was eligible for this program in another case.
3. On December 26, 2012, Claimant filed a hearing request disputing the Department's action.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), the Department of Human Services Bridges Eligibility Manual (BEM), and the Department of Human Services Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by the 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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACRS, R 400.3151 through R 400.3180.

The Department testified that Claimant applied for SDA and MA in July 2012, but could not specify the date. Claimant testified that she applied on her birthday, July 6, 2012.

SDA Application

The December 12, 2012 Notice of Case Action sent to Claimant denied her SDA application because her countable income exceeded the limit for the program.

In order to be eligible for SDA benefits, an individual must be in financial need. BEM 515 (December 2011), p 1; BEM 518 (July 2012), p 1. Financial need exists when the individual's budgetable income is less than the applicable payment standard and the client passes the issuance deficit test. BEM 515, p 1; BEM 518, p 1. To perform the issuance deficit test, the Department subtracts budgetable income from the applicable payment standard for the benefit month. BEM 518, p 1. The SDA payment standard is \$200 for an individual living alone in an independent living arrangement and \$315 for an individual and his or her spouse living in an independence living arrangement. RFT 225 (October 2011), p 1.

In this case, the Department did not present an SDA budget showing the income considered in finding that Claimant was not income eligible. The Department testified that Claimant received \$664 in monthly Retirement, Survivors and Disability Insurance (RSDI) income and \$66 in monthly Supplement Security Income (SSI). However, the Department's evidence showed that this income was not received by Claimant until September 2012. Claimant credibly testified that in [REDACTED] she turned 18 years old and she no longer received the RSDI income she had been receiving based on a deceased parent. Although she had applied for benefits with the Social Security Administration (SSA), she did not receive any benefits from SSA until September 2012. She credibly testified that she had no income in July 2012 when she applied for SDA.

Based on these facts, the Department did not act in accordance with Department policy when it denied Claimant's July 6, 2012, SDA application on the basis of excess income.

However, SDA clients must sign an agreement with the Department to repay any interim assistance when pursuing a potential benefit, such as SSI. BEM 272 (April 2012), p 1. The Department application contains a reimbursement acknowledgement authorizing SSA to mail retroactive SSI payments to the Department for repayment of interim state-funded SDA. BEM 272, p 2. Repayment is not required from ongoing benefits from SSI or presumptive SSI benefits, which are verified by the client's award letter from SSA or other contact with SSA.

In this case, Claimant's SOLQ (Single Online Query) report, which contains information about the client's benefits from SSA, showed that the SSA concluded that Claimant's disability onset date for SSI purposes was April 30, 2012, and that Claimant received a lump-sum SSI payment for benefits on September 2012. The SOLQ also showed that Claimant began receiving Retirement, Survivors and Disability Insurance (RSDI) income in December 2012. This evidence established that Claimant's SSI benefits were not presumptive. Because the Department would be entitled to recover any SDA benefits issued to Claimant from the SSI lump sum payment made to her in September 2012, the Department's failure to act in accordance with Department policy in processing Claimant's SDA application was harmless in this case.

MA Application

The Department testified that Claimant's MA application was denied because she was eligible under another case. However, the Department presented no evidence to establish Claimant's MA eligibility under another case. Thus, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Claimant's July 6, 2012 MA application.

While Claimant testified at the hearing that she had been recently advised when she went to her doctor that she had MA coverage, the Department could not verify Claimant's current eligibility or whether it had been ongoing since July 2012.


DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department's failure to process Claimant's July 2012 SDA application in accordance with Department policy was harmless in this case and the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Claimant's July 2012 MA application.

Accordingly, the Department's decision is AFFIRMED IN PART with respect to the denial of Claimant's SDA application, and REVERSED IN PART with respect to denial of Claimant's MA application.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister Claimant's MA application filed on or about July 6, 2012;
2. Begin reprocessing the application in accordance with Department policy;
3. Provide Claimant with MA coverage she is eligible to receive based on the coverage requested in the application;
4. Notify Claimant in writing of its decision in accordance with Department policy.


Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 5/16/2013

Date Mailed: 5/16/2013

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

ACE/hw

cc:

