

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201312561
Issue No: 4003
Case No: [REDACTED]
Hearing Date: April 4, 2013
Calhoun County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne D. Sonneborn

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 received by the Department of Human Services (department) on November 15, 2012. After due notice, a telephone hearing was held on April 4, 2013. Claimant appeared and provided testimony. The department was represented by [REDACTED] and [REDACTED] both of whom are eligibility specialists with the department's Calhoun County office.

ISSUE

Whether the department properly closed Claimant's State Disability Assistance (SDA) benefits due to Claimant's failure to pursue Supplemental Security Income (SSI)?

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 recipient of SDA benefits at all times relevant to this hearing.
2. On December 20, 2011, Claimant signed a Reimbursement Authorization (DHS-3975) as a condition of eligibility for state-funded SDA benefits. (Department Exhibit 1)
3. On October 26, 2012, the department mailed Claimant a Notice to Apply (DHS-1551), informing Claimant that he is required to file an application for SSI benefits by November 5, 2012 and to return proof to the department that he did so by November 5, 2012. The department further informed Claimant that his failure to file an application for SSI benefits will result in the closure of his SDA benefits. The department further informed Claimant that it is to his advantage to qualify for SSI because the monthly

payments are generally higher than those he now receives in SDA benefits. (Department Exhibit 2)

4. Claimant did not file an application for SSI benefits by the November 5, 2012 deadline.
5. On November 7, 2012, the department mailed Claimant a Notice of Case Action (DHS-1605), informing him that effective December 1, 2012, his SDA benefits would be closed due to his failure to comply with SSI application requirements.
6. On November 12, 2012, Claimant submitted a hearing request, protesting the closure of his SDA benefits. (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 400.901-400.951. Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. 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, was established by 2004 PA 344. The department administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. State Disability Assistance (SDA) is a cash program for individuals who are not eligible for the Family Independence Program (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. BEM 214.

Supplemental Security Income (SSI) is a cash benefit for needy individuals who are aged (at least 65), blind or disabled. BEM 660. It is a federal program administered by the Social Security Administration (SSA). The SSA determines SSI eligibility. States are allowed the option to supplement the federal benefit with state funds. In Michigan, the Department of Human Services (DHS or department) supplements federal SSI payments with a State SSI payment to SSI recipients in the following living arrangements: independent living; or living in the household of another person and receiving partial or total support and maintenance in kind from that person. BEM 660.

The disability standard for both disability-related MA and SSI is the same. BEM 271. The federal SSI benefit payment rates are substantially higher than the state-funded FIP/SDA payment rates. It is a benefit to both the state-funded FIP/SDA recipient and the state when the individual is determined eligible for federal SSI benefits. Clients who receive state-funded FIP or SDA who meet potential eligibility for SSI or have a medical

review team (MRT) decision that indicates they meet the criteria for MA based on blindness or disability are required to pursue SSI. BEM 271.

SDA clients receiving or those who have been found eligible for disability-related MA **must** comply with the requirements listed in BEM 271 (Emphasis in original). These clients **must** also cooperate with all SSA requirements and procedures when applying for SSI benefits. BEM 271 (Emphasis in original). Failure to comply as required results in group ineligibility for SDA. BEM 271.

In this case, the department that notified Claimant that, as a recipient of SDA benefits, he is required to file an application for SSI benefits by November 5, 2012 and to return proof to the department that he did so by November 5, 2012. The department further informed Claimant that his failure to file an application for SSI benefits will result in the closure of his SDA benefits. Because Claimant failed to do so, the department closed his SDA benefits case effective December 1, 2012.

At the April 4, 2013 hearing, Claimant acknowledged that he received the Notice to Apply for SSI benefits but indicated that he was instructed by his attorney not to do so because it would have jeopardized his pending RSDI appeal process.

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record and finds that, based on the competent, material, and substantial evidence presented during the April 4, 2013 hearing, the department properly closed Claimant's SDA benefits effective December 1, 2012 due to Claimant's failure to timely pursue SSI benefits as required by BEM 271.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly closed Claimant's SDA benefits effective December 1, 2012 due to Claimant's failure to timely pursue SSI benefits as required by BEM 271. Accordingly, the department's actions in this regard are **UPHELD**.

IT IS SO ORDERED.

/s/

Suzanne D. Sonneborn
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: April 8, 2013

Date Mailed: April 8, 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.

The Claimant may appeal this 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 errors, or other obvious errors in the hearing decision that affect the substantial rights of Claimant;
 - The failure of the ALJ to address other relevant issues in the hearing decision.

A request for a rehearing or reconsideration must be submitted through the local DHS office or directly to MAHS by mail at:

Michigan Administrative Hearings System
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, MI 48909-07322

SDS/cr

cc:

