

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-36973  
Issue No.: 2018, 4013  
Case No.: [REDACTED]  
Hearing Date: April 24, 2013  
County: Wayne (82-49)

**ADMINISTRATIVE LAW JUDGE:** Eric Feldman

**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 April 24, 2013, from Detroit, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Based on the SSA denial of benefits due to excess assets, did the Department properly  deny the Claimant's application  close Claimant's case for:

- |  |  |
|--|--|
| <input type="checkbox"/> Family Independence Program (FIP)?  | <input type="checkbox"/> Adult Medical Assistance (AMP)?               |
| <input checked="" type="checkbox"/> Medical Assistance (MA)? | <input checked="" type="checkbox"/> State Disability Assistance (SDA)? |
| <input type="checkbox"/> Food Assistance Program (FAP)?      |  |

**FINDINGS OF FACT**

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

1. Claimant received Supplemental Security Income (SSI) from the Social Security Administration (SSA) as a child.
2. Claimant also was a recipient for MA and SDA benefits.
3. Claimant reapplied for SSI benefits on November 21, 2012. Exhibit 1.

4. In November or December 2012, SSA denied Claimant's SSI application due to excess assets.
5. Claimant never appealed the SSI application denial.
6. Due to the SSI denial based on excess assets, on April 1, 2013, the Department  denied Claimant's application.  closed Claimant's case.
7. On March 13, 2013, the Department sent  Claimant  Claimant's Authorized Representative (AR) notice of the  denial.  closure.
8. On March 21, 2013, Claimant filed a hearing request, protesting the  denial of the application.  closure of the case.

### **CONCLUSIONS OF LAW**

Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and 1999 AC, Rule 400.3101 through Rule 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistance Program (FAP) [formerly known as the Food Stamp (FS) program] is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and 1999 AC, Rule 400.3001 through Rule 400.3015.

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 (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 (formerly known

as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACCS, Rule 400.3151 through Rule 400.3180.

The disability standard for both disability-related MA and SSI is the same. BEM 271 (June 2012), p. 1. When the SSA determines that a client is not disabled/blind for SSI purposes, the client may appeal that determination at SSA. BEM 260 (October 2011), p. 9. The SSA Appeals Process consists of three steps:

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

BEM 260, p. 9. The client has 60 days from the date he/she receives a denial notice to appeal an SSA action. BEM 260, pp. 3 and 9; BEM 271, p. 7. An SSA determination becomes final when no further appeals may be made at SSA. BEM 260, p. 3. Once an SSA's determination that a disability or blindness does not exist becomes final, the MA case must be closed. BEM 260, p. 3; BEM 271, p. 8.

In the present case, Claimant applied for SSI on November 21, 2012. In November or December 2012, SSA denied Claimant's SSI application due to excess assets. Due to denial by SSA for excess assets, the Department sent Claimant a Notice of Case Action on March 13, 2013, denying Claimant's MA and SDA benefits effective April 1, 2013, ongoing, due to the SSA finding that Claimant had excess assets.

In the record presented, the SSA did not determine if Claimant was found disabled; but the SSA denied Claimant's SSI application due to excess assets. The Department testified that it relied on this SSI denial and closed Claimant's MA and SDA benefits. Moreover, the Department testified that it was unsure if a Verification Checklist (VCL) was sent to Claimant to verify excess assets nor was any VCL provided at the hearing. As such, there has been no determination from the SSA that Claimant was disabled. BEM 260, p. 3; BEM 271, p. 8. Thus, the Department improperly closed Claimant's MA and SDA benefits effective April 1, 2013, ongoing, in accordance with Department policy based on the SSA denial of Claimant's SSI application due to excess assets. BEM 260, p. 3; BEM 271, p. 8

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that, due to excess assets, the Department

- |   |   |
|---|---|
| <input type="checkbox"/> properly denied Claimant's application | <input type="checkbox"/> improperly denied Claimant's application     |
| <input type="checkbox"/> properly closed Claimant's case        | <input checked="" type="checkbox"/> improperly closed Claimant's case |

for:  AMP  FIP  FAP  MA  SDA.

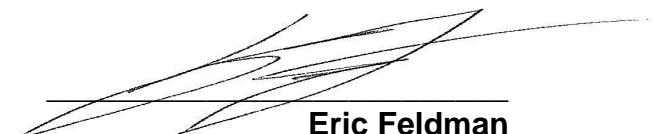
**DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated above and on the record, finds that the Department  did act properly.  did not act properly.

Accordingly, the Department's  AMP  FIP  FAP  MA  SDA decision is  AFFIRMED  REVERSED for the reasons stated on the record.

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

1. Reinstate Claimant's MA and SDA benefit eligibility, beginning April 1, 2013, ongoing;
2. Issue supplements to Claimant for any MA and SDA benefits she was eligible to receive from April 1, 2013, ongoing; and
3. Notify Claimant in writing of its decision in accordance with Department policy.



**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: April 30, 2013

Date Mailed: April 30, 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:

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- misapplication of manual policy or law in the hearing decision,
- typographical errors, mathematical error, or other obvious errors in the hearing decision that affect the substantial rights of the claimant:
- 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

EJF/pf

cc:

