

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-003250  
Issue No.: 4006  
Case No.: [REDACTED]  
Hearing Date: June 11, 2015  
County: Bay

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

Following Respondent's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, telephone hearing was held on June 11, 2015, from Lansing, Michigan. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], recoupment specialist. Participants on behalf of Respondent included [REDACTED] and her mother [REDACTED].

**ISSUE**

Did the Department properly determine that the Respondent received an overissuance of State Disability Assistance (SDA) benefits?

**FINDINGS OF FACT**

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

1. The Respondent was an ongoing State Disability Assistance (SDA) recipient from April 1, 2014, through November 30, 2014.
2. The Respondent's eligibility for State Disability Assistance (SDA) benefits was based on her participation with Michigan Rehabilitation Services (MRS).
3. On January 13, 2015, the Department sent the Respondent a Notice of Overissuance (DHS-4358-A).
4. On March 2, 2015, the Department received the Respondent's request for a hearing protesting the recoupment of State Disability Assistance (SDA) benefits.

## **CONCLUSIONS OF LAW**

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

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overissuance. An agency error is caused by incorrect action (including delayed or no action) by Department staff or Department processes. A client error occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to the department. Client and agency errors are not pursued if the estimated amount is less than \$250 per program. Department of Health and Human Services Bridges Administrative Manual (BAM) 700 (May 1, 2014), pp 1-9.

Overissuance balances on inactive cases must be repaid by lump-sum or monthly cash payments unless collection is suspended. Department of Health and Human Services Bridges Administrative Manual (BAM) 725 (July 1, 2014), p 8.

Persons receiving one of the following benefits or services meet the SDA disability criteria:

- Retirement, Survivors and Disability Insurance (RSDI), due to disability or blindness.
- Supplemental Security Income (SSI), due to disability or blindness.
- Medicaid (including deductible) as blind or disabled if the disability/blindness is based on:
- Michigan Rehabilitation Services (MRS). A person is receiving services if he has been determined eligible for MRS and has a signed active individual plan for employment (IPE) with MRS. Do not refer or advise applicants to apply for MRS for the pur-pose of qualifying for SDA.
- Michigan Bureau of Services for Blind Persons (BSBP), formally known as the Commission for the Blind. A person is receiving services if he has been determined eligible for BSBP and has an active BSBP case.
- Special education services from the local intermediate school district. To qualify, the person may be:

- Refugee or asylee who lost eligibility for SSI due to exceeding the maximum time limit. Department of Health and Human Services Bridges Eligibility Manual (BEM) 261 (July 1, 2014), pp 2-3.

The Respondent was an ongoing State Disability Assistance (SDA) recipient from April 1, 2014, through November 30, 2014. The Department had approved the Respondent for SDA benefits based on her participation with Michigan Rehabilitation Services (MRS). Later, the Department discovered that the Respondent's participation with MRS had ended.

This Administrative Law Judge finds that while the Respondent had a duty to notify the Department of her status with MRS, the Department could have discovered that the Respondent was no longer enrolled with MRS services.


The Respondent testified that she was unaware that she was no longer enrolled with MRS.

Unfortunately for the Respondent, regardless the source of the error that caused her to receive an overissuance, she did not meet the criteria to receive SDA benefits as outlined in BEM 261. The Respondent received SDA benefits totaling \$ [REDACTED] but was not eligible for any of those benefits. Since she was not eligible to receive those benefits, the Respondent had received an overissuance of SDA benefits that the Department is now required to recoup.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it determined that the Respondent received a \$ [REDACTED] overissuance of State Disability Assistance (SDA) benefits.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

  
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Kevin Scully  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **6/19/2015**

Date Mailed: **6/19/2015**

KS/las

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

cc:

