



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: September 28, 2016  
MAHS Docket No.: 16-011704  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

### **HEARING DECISION**

Following Petitioner'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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on [REDACTED], from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payments Worker (Conner Office), and [REDACTED], Assistance Payments Supervisor (Grandmont Office).

### **ISSUE**

Did the Department properly deny the Petitioner's State Disability Assistance (SDA) application for failure to provide and return the Medical Review Team (MRT) Packet?

### **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 Petitioner applied for SDA on [REDACTED].
2. The Department denied the Petitioner's SDA application in error on [REDACTED] for failure to return the MRT Packet.
3. The Petitioner reapplied for SDA on [REDACTED]. The Department processed the application, and the MRT is currently reviewing the medical information to determine whether the Petitioner is eligible for SDA.

4. The Department conceded that it incorrectly denied the Petitioner's [REDACTED], SDA application as the Department never sent the Petitioner a Medical Packet.
5. The Petitioner requested a timely hearing on [REDACTED].

### **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.

To receive SDA, a person must be disabled, caring for a disabled person, or age 65 or older. BEM 261 (July 1, 2015) p. 1

A person is disabled for SDA purposes if he/she:

- Receives other specified disability-related benefits or services, see Other Benefits or Services below, or
- Resides in a qualified Special Living Arrangement (SLA) facility, or
- Is certified as unable to work due to mental or physical disability for at least 90 days from the onset of the disability.

When the person does not meet one of the criteria under Other Benefits or Services or Special Living Arrangements, follow the instructions in BAM 815, Medical Determination and Disability Determination Service (DDS), Steps for Medical Determination Applications. The DDS will gather and review the medical evidence and either certify or deny the disability claim based on the medical evidence. BEM 261, p. 2-3.

The DDS will deny the disability claim if the medical evidence shows that substance abuse is a contributing factor

material to the determination of disability. The DDS may approve the disability claim if the medical evidence shows that substance abuse is **not** material to the determination of the disability. BEM 261, p. 4

For Medical Determination applications including SDA the following requirements must be met and verified:

- DHS-49-F, Medical-Social Questionnaire.
- DHS-1555, Authorization to Release Protected Health Information.
- Verification of SSA application.
- DHS-3975, Reimbursement Authorization (for state-funded FIP/SDA only). BAM 815 (January 1, 2016) p. 8

In this case, the Department conceded that it incorrectly denied the Petitioner's SDA application of [REDACTED]. The Department is required to send the Petitioner a Medical Packet seeking verification of medical information necessary for MRT review. The medical packet is to be submitted by the Department to the MRT for their review. The Department never sent the Petitioner the medical packet when it processed the [REDACTED], MA application. Thereafter, the Department processed the second MA application dated [REDACTED], rather than re-registering the first application as it should have done due to its denial of the application in error. Based upon the evidence presented, the Petitioner's MA application is pending final MRT review and must be processed accordingly once a decision is received. If the MRT approves the Petitioner, the Department must re-register the original [REDACTED], application and process the case accordingly as it is determined that the Department incorrectly denied the [REDACTED], application.

### **DECISION AND ORDER**

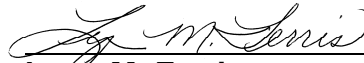
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department **did not** act in accordance with Department policy when it denied the Petitioner's SDA [REDACTED] application for failure to verify medical information and return the MRT packet.

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall re-register the Petitioner's [REDACTED], application pending MRT decision regarding SDA.
2. The Department shall supplement the Petitioner for SDA benefits, if any, the Petitioner is eligible to receive in accordance with Department policy and MRT approval of SDA if same should occur.

LMF/jaf



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**Lynn M. Ferris**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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 48909-8139

**DHHS**

[REDACTED]

**Petitioner**

[REDACTED]

**Via email**

[REDACTED]