



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: December 29, 2016
MAHS Docket No.: 16-016443
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

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 December 20, 2016, from Lansing, Michigan. Petitioner was represented by her husband and household member, [REDACTED] [REDACTED]. Petitioner also appeared at hearing. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] FIS. Department Exhibit 1, pp.1-16 was received and admitted.

ISSUE

Did the Department properly deny Direct Support Services for a car repair?

FINDINGS OF FACT

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

1. Petitioner applied for Direct Support Services for a car repair on October 6, 2016.
2. [REDACTED] Service Center has a local policy that the Cost of Repair cannot exceed the Kelly Blue Book RETAIL value of the vehicle. (Dept. Ex.1, p.7)
3. The Kelly Blue Book trade in estimate for Petitioner's 2005 Hyundai Elantra with 187,569 miles was a range of \$ [REDACTED] \$ [REDACTED] and a value of \$ [REDACTED] (Dept. Ex. 1, p.9)
4. The estimate for Petitioner's car repair was \$ [REDACTED] (Dept. Ex.1, p.14)

5. On October 14, 2016, Petitioner's application was denied because the car was worth less than the cost of the repair.
6. On October 27, 2016, Petitioner requested hearing.

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).

Direct Support Services (DSS) is established by the Social Welfare Act, MCL 400.1-.119b. The program is administered by the Department pursuant to MCL 400.10 and 400.57a and Mich Admin Code R 400.3603.

Vehicle Repair

FIP, CDC, MA, FAP Family

Authorize vehicle repairs for each participant for a vehicle that is the primary means of transportation for employment-related activities, even if public transit is available. The total DHS/PATH program cost of repairs may not exceed \$900 including any repairs done in the previous 12 months. Clients may contribute any amount over \$900 prior to DHS payment.

Prior approval is required for this service except for emergency repairs that occurred outside of DHS office hours. Before authorizing a major repair, ensure that all of the following conditions are met:

- An eligible group member owns the vehicle.
- The client requesting the service has a valid drivers license.
- The repair is expected to make the vehicle safe and roadworthy including new tires, headlamps, batteries, etc.

Note: If the client requesting the service does not have a valid driver's license, but has someone else use their vehicle to drive them, document the name of the person

driving the vehicle. Verify a valid driver's license for the individual that will be operating the vehicle.

A vehicle may be repaired for a currently employed client if the client needs a vehicle to accept a verified offer of a better job or needs a vehicle to retain current employment; and has a demonstrated ability to maintain a job.

A vehicle may be repaired for a client who is not currently employed if the client needs a vehicle to accept a verified job offer; or needs a vehicle to participate in family self-sufficiency activities that will prepare the client for employment

A lease vehicle may be repaired for a client when there is at least 12 months left in the lease agreement.

An estimate of the vehicle repair is required and should be placed in the case file.

Do not authorize any vehicle repair for a vehicle that has been purchased within the last 60 calendar days.

If the vehicle repair being approved is \$500.00 or more, the specialist will be required to enter a comment on the **DSS Service Request - Additional Information** screen explaining the reason for the payment of \$500.00 or over.

Note: Any payment authorized by DHS for estimates or towing are **not** included in the \$900 limit; see Other ESS in this item. BEM 232 (October 2014)

Grandmont Service Center has a local policy that the Cost of Repair cannot exceed the Kelly Blue Book RETAIL value of the vehicle. (Dept. Ex.1, p.7)

In this case, the Kelly Blue Book trade in estimate for Petitioner's 2005 Hyundai Elantra with 187,569 miles was a range of \$ [REDACTED] \$ [REDACTED] and a value of \$ [REDACTED] (Dept. Ex. 1, p.9). The estimate for Petitioner's car repair was \$ [REDACTED]. (Dept. Ex.1, p.14) Therefore, the Department denial because the cost of repair exceeded the value of the vehicle was proper and correct. BEM 232. It should also be noted that Direct Supportive Services are discretionary funds and the Department has the right to deny any request if the circumstances warrant it. Petitioner presented a Kelly Blue Book estimate for a Fair Purchase Price for a 2005 Hyundai Elantra with 187,569 miles of \$ [REDACTED] This was the value a dealer would ask for the car and does not represent the value of the car. The trade in estimate provided by the Department was a more accurate estimate of the value of the car.

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 acted in accordance with Department policy when it denied Direct Supportive Services for a car repair.

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

AM/mc



Aaron McClintic

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]

[REDACTED]

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]