



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: May 25, 2016  
MAHS Docket No.: 16-003644  
Agency No.: [REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab Baydoun**

### **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 April 28, 2016, from Detroit, Michigan. The Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payment Worker, [REDACTED], Assistance Payment Worker, and [REDACTED], Assistance Payment Worker.

### **ISSUE**

Did the Department properly deny Petitioner's application for 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. On or around December 21, 2015, Petitioner submitted an application for SDA benefits.
2. On December 22, 2015, the Department sent Petitioner a Notice of Case Action advising her that the application was denied on the basis that she failed to return documentation to complete a determination. (Exhibit 1)
3. On March 3, 2016, Petitioner requested a hearing disputing the denial of her SDA application.

## 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).

As a preliminary matter, at the commencement of the hearing, Petitioner's hearing request was reviewed. It was established that Petitioner checked the box indicating that she disputed the denial of a Family Independence Program (FIP) application submitted. Petitioner clarified at the hearing that she checked the FIP box in error and that she did not dispute any action taken by the Department concerning FIP benefits as she did not have any minor children. The hearing request concerning FIP was withdrawn/DISMISSED. The hearing proceeded with respect to the denial of Petitioner's SDA application.

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.

In this case, Petitioner applied for SDA benefits on December 21, 2015. The Department stated that the application was registered and processed. The Department initially testified that Petitioner's SDA application was denied because she verbally stated during an application interview that she was instructed by her attorney not to apply for SSI benefits through the Social Security Administration (SSA). The Department stated that the application process did not proceed because verification of a client's application for SSI benefits is required. Later in the hearing, the Department stated that because Petitioner did not indicate on her SDA application that she was disabled, she was ineligible for SDA and subsequently denied SDA benefits. The Department did not present any documentation to support the testimony provided during the hearing and provided inconsistent testimony throughout the hearing regarding the exact reason Petitioner's application was denied.

Clients applying for SDA must be referred to the SSA to apply for SSI and verification must be obtained from SSA that an application for SSI or appeal is on file. BEM 270 (July 2015), pp. 1-3, 6-7; BEM 271 (July 2015), pp. 1-2, 4-7.

At the hearing, Petitioner testified that she did indicate on her application that she was disabled and further stated that she has a pending SSI case in [REDACTED] pi. Petitioner provided letters from her attorney concerning a SSI case, however, they were dated April 2016 and not presented to the Department prior to the hearing date. (Exhibit 2). The Department confirmed being notified by Petitioner that she had a pending SSI case in [REDACTED] and stated that Petitioner was required to provide documentation that her

SSI case was transferred to Michigan, however, it was unclear what Department policy the Department was relying on when providing that testimony.

Petitioner presented a Notice of Case Action dated December 22, 2015, just one day after her application was submitted and which indicates that the SDA application was denied on the basis that she failed to return documentation necessary to complete a disability determination. (Exhibit 1). The Department did not identify what documentation Petitioner was instructed to provide, the due date, or what, if any, documentation was not returned by Petitioner. The Department also failed to establish that it referred Petitioner to apply for SSI or that it obtained appropriate verification concerning the SSI application or appeal within ten days as required by BEM 270 and BEM 271. Based on the evidence as presented, the Department further failed to establish that Petitioner refused to comply with the requirements that she pursue SSI benefits. See BEM 270; 271.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's SDA application.

### **DECISION AND ORDER**

Accordingly, the hearing request with respect to FIP is DISMISSED and 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. Register and process Petitioner's December 21, 2015, SDA application to determine her eligibility for SDA benefits from the application date, ongoing;

2. Issue supplements to Petitioner for SDA benefits she was eligible to receive but did not from the December 21, 2015, application date, ongoing, in accordance with Department policy; and
3. Notify Petitioner in writing of its decision.



ZB/tlf

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**Zainab Baydoun**

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

[REDACTED]

[REDACTED]  
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