



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: January 25, 2017  
MAHS Docket No.: 16-017795  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **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]. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly denied Petitioner's application for State Emergency Relief (SER).

### **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 [REDACTED], Petitioner applied for SER seeking assistance with an energy bill account.
2. Petitioner's energy account had been shut-off for an extended period of time (sufficiently long enough for the energy service provider to send the account to a collection agency).
3. On [REDACTED] MDHHS denied Petitioner's application due to Petitioner's account being referred to a collection agency.
4. On [REDACTED], Petitioner requested a hearing to dispute the SER denial.

### **CONCLUSIONS OF LAW**

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by MDHHS (formerly known as the Family Independence Agency) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001 through R 400.7049. MDHHS policies are contained in the Services Emergency Relief Manual (ERM).

Petitioner requested a hearing to dispute a denial of SER for energy services. MDHHS presented an Application Notice (Exhibit 1, p. 1) stated the SER was denied because the account for which Petitioner sought assistance was referred to a collection agency.

Low-income households who meet all State Emergency Relief (SER) eligibility requirements may receive assistance to help them with household heat and electric costs. ERM 301 (October 2015), p. 1. [MDHHS is to] not authorize energy services to pay for... payments to residential landlords, residential management companies, billing service agencies, or collection agencies [because they] are not eligible to receive emergency service (ES) or SER funds, as they are not the actual service provider. *Id.*, p. 4.

MDHHS presented an Account Statement (Exhibit 1, p. 2) for Petitioner's energy service account. The statement indicated Petitioner's account had been referred to a collection agency. Petitioner's testimony that she had not had an open energy account for approximately 2 years was consistent with the account being referred to a collection agency.

It is understandable that MDHHS policy precludes payments to a collection agency for the purposes of paying a bill when the payment has no effect on restoration of service. It is not understood why MDHHS would prohibit payments to a collection agency when the payment is required to restore services.

During the hearing, Petitioner's energy service company was contacted. A service representative from the company (who was not sworn-in) indicated that Petitioner would have to make payments to restore services to the collection agency and that the energy service provider would restore service once the account was paid-in-full. The energy service provider staff also indicated it was her understanding that MDHHS did not assist with accounts referred to a collection agency, though Petitioner could pursue help from other agencies. The representative provided a list of phone numbers from other agencies for Petitioner to contact.

Presented evidence tended to verify that MDHHS does not offer SER to clients in need of energy service restoration after the account has been sent to a collection agency. Thus, Petitioner is not eligible for SER and it is found that MDHHS properly denied Petitioner's SER application.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's SER application dated [REDACTED]. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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**Christian Gardocki**  
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]  
[REDACTED]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]