



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 3, 2017  
MAHS Docket No.: 17-002800  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

### **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 March 29, 2017, from Detroit, Michigan. The Petitioner was represented by Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payments Worker.

### **ISSUE**

Did the Department properly deny Petitioner's [REDACTED] application for State Disability Assistance (SDA)?

### **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 SDA benefits.
2. On [REDACTED], the Department sent Petitioner a Verification Checklist (VCL) and a Medical Determination VCL which requested that specific information be submitted on or before [REDACTED].
3. Petitioner returned all the requested information.
4. On [REDACTED], the Department sent Petitioner a Notice of Case Action which notified Petitioner that his application for benefits had been denied.

5. On [REDACTED], Petitioner filed a Request for 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).

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 [REDACTED]. The Department testified that on [REDACTED], it sent Petitioner to VCLs requesting specific information. The Department indicated that Petitioner failed to return proof that he applied for Social Security Benefits. Relating to Social Security benefits, the VCL requested that Petitioner provide the following information:

- Medical Records about disability
- Proof of death
- RSDI receipt based on disability/blindness (including SOLQ/WTP, RSDI injury)
- SSI receipt based on disability/blindness
- SSI terminated for financial reasons in last 12 months.

The above list does not state anywhere that Petitioner is to provide proof that he applied for Social Security benefits. The Department also sent Petitioner a Medical Determination VCL. The Medical Determination specifically request that Petitioner provide proof that he had applied for benefits through the Social Security Administration. Petitioner acknowledged that he failed to provide Department with proof of the application.

When the Department failed to receive the information as to whether Petitioner applied for benefits with the Social Security Administration, it could have initiated a collateral contact. A **collateral contact** is a direct contact with a person, organization or agency to verify information from the client. It might be necessary when documentation is not available or when available evidence needs clarification. BAM 130 (July 2016), p. 2. The Department has the ability to access information from the Social Security Administration to determine whether Petitioner had applied for benefits.

The Department presented the collateral contact at the hearing. However, the collateral contact provided by the Department failed to include an application date. Petitioner was able to retrieve evidence that he applied for SSI benefits on [REDACTED]. It does not appear that the Department made any efforts to initiate a collateral contact before it

denied Petitioner's application for benefits. Therefore, it is found that the Department improperly denied Petitioner's application for SDA benefits.

**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 Petitioner's application for SDA benefits.

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. Reregister and reprocess Petitioner's [REDACTED], application for SDA benefits;
2. Issue supplements Petitioner was eligible to receive but did not effective [REDACTED] and [REDACTED];
3. Notify Petitioner in writing of its decision.

JM/hw



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**Jacquelyn A. McClinton**  
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]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]