



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

██████████  
██████████  
██████████

Date Mailed: July 20, 2017  
MAHS Docket No.: 17-006459  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Eric J. Feldman**

**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; 42 CFR 438.400 to 438.424; 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 ██████████, from Detroit, Michigan. Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was represented by ██████████, Eligibility Specialist.

**ISSUE**

Did the Department properly deny Petitioner's State Disability Assistance (SDA) application effective ██████████?

**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 ██████████, which was prior to Petitioner's SDA application, she submitted a medication list and other documents.
2. On ██████████, Petitioner applied for SDA benefits.
3. On ██████████, the Department sent Petitioner her first Medical Determination Verification Checklist ("medical packet"), which was due back by ██████████. [Exhibit A, pp. 45-46.]

4. On [REDACTED] Petitioner submitted a Verification of Application or Appeal for Supplemental Security Income (SSI)/Retirement, Survivors, and Disability Insurance (RSDI) form, which stated that Petitioner had not filed a claim for benefits.
5. On [REDACTED], the Department sent Petitioner her second medical packet, which was due back by [REDACTED]. [Exhibit A, pp. 43-44.]
6. On [REDACTED], the Department sent Petitioner a Notice of Case Action notifying her that her SDA application was denied effective [REDACTED], ongoing because she failed to apply for SSI/RSDI in a timely manner. [Exhibit A, pp. 7-8.]
7. On [REDACTED], Petitioner submitted additional documentation. [Exhibit 1, pp. 2-14.]
8. On [REDACTED], Petitioner submitted a Verification of Application or Appeal for SSI/RSDI, which stated Petitioner had not filed a claim for benefits. [Exhibit A, pp. 39-40.]
9. On [REDACTED], Petitioner filed a hearing request, protesting the denial of the SDA application. [Exhibit A, pp. 3-6.]
10. On [REDACTED] Petitioner's SDA application was reinstated by the Department. [Exhibit A, p. 1.]
11. On [REDACTED], the Department sent Petitioner her third medical packet, which was due back by [REDACTED]. [Exhibit A, pp. 49-50.]
12. On [REDACTED], Petitioner submitted additional medical documentation.
13. On [REDACTED], the Department sent Petitioner a Notice of Case Action notifying her that her SDA application was denied effective [REDACTED] because she failed to return her medical packet in a timely manner. [Exhibit B, pp. 1-2.]

### **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 (April 2017), p. 1.

For SDA cases, the Department allows the client 10 calendar days (or other time limit specified in policy) to provide the verification that is requested. BAM 130 (April 2017), p. 7. Verifications are considered to be timely if received by the date they are due. BAM 130, p. 7. For electronically transmitted verifications (fax, email or Mi Bridges document upload), the date of the transmission is the receipt date. BAM 130, p. 7. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of an MDHHS representative are considered to be received the next business day. BAM 130, p. 7. The Department sends a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 7. Note, for SDA, if the client contacts the Department prior to the due date requesting an extension or assistance in obtaining verifications, the specialist may grant an extension to the VCL due date. BAM 130, p. 7.

Additionally, BAM 815 explains how the Disability Determination Service (DDS) develops and reviews medical evidence for disability and/or blindness and certifies the client's medical eligibility for assistance. BAM 815 (January 2017), p. 1.

At application or medical review, if requested mandatory forms are not returned, the DDS cannot make a determination on the severity of the disability. BAM 815, p. 2. The Department denies the application or places an approved program into negative action for failure to provide required verifications. BAM 815, p. 2.

The Department provides a multi-step process for medical determination applications. See BAM 815, pp. 2-5. For step 5, the Department completes a DHS-3503-MRT, Medical Determination Verification Checklist, indicating the following verifications required:

- DHS-49-F
- DHS-1555.
- DHS-3975, Reimbursement Authorization (for state-funded FIP/SDA only).
- Verification of SSA application/appeal.

BAM 815, p. 4. A further review of the steps indicated that the Medical-Social Questionnaire form (DHS-49-F) and Authorization to Release Protected Health Information (DHS-1555) are mandatory forms that must be completed. BAM 815, p. 4.

Also, at program application or request for disability deferral, clients must apply for or appeal benefits through the Social Security Administration (SSA) if claiming disability and/or blindness. BAM 815, pp. 1-2. This is a condition of program eligibility. BAM 815, p. 2.

In this case, the Department argued that Petitioner failed to submit the requested documentation, despite being given two extensions. In response, Petitioner argued that she did submit the requested documentation timely. The undersigned reviewed Petitioner's case and determined that the Department did not process her application properly. On [REDACTED], the Department sent Petitioner her second medical packet,

which was due back by [REDACTED]. [Exhibit A, pp. 43-44.] However, the Department denied the application on [REDACTED], which was before the due date. [Exhibit A, pp. 7-8.] The Department did not provide Petitioner the 10 calendar days she was allowed to submit the medical packet. See BAM 130, p. 7. As a result, Petitioner filed the hearing request on [REDACTED], protesting the denial. [Exhibit A, pp. 3-6.] Then, on the same day of the hearing request, the Department reinstated her application and sent her the third medical packet on [REDACTED], which was due back by [REDACTED] [Exhibit A, pp. 1 and 49-50.] At first glance, the undersigned thought the Department cured its error by reinstating the application and giving her 10 calendar days to submit the medical packet by [REDACTED]. However again, the Department made the same error. On [REDACTED], the Department denied the application, which was one-day before the due date. [Exhibit B, pp. 1-2.]

Based on the foregoing information and evidence, the Department did not act in accordance with Department policy when it denied Petitioner's SDA application effective [REDACTED]. As stated above, the Department argued that Petitioner failed to submit the necessary medical documents, despite being given two extensions. And in response, Petitioner argued that she did submit the documents timely. Regardless of both parties arguments, the Department ultimately failed to provide Petitioner the 10 calendar days (or other time limit specified in policy) she is allowed to provide the medical packet. See BAM 130, p. 7. Again, the undersigned thought that the Department cured its error when it reinstated the application on [REDACTED], and gave her 10 calendar days to submit the medical packet by [REDACTED]. But the Department did not correct this error because it again made the same mistake. Therefore, the undersigned has the jurisdiction to address Petitioner's SDA denial on [REDACTED], because the Department never corrected its original error when it denied the application prematurely.

Accordingly, because the Department failed to provide Petitioner the 10 calendar days she was allowed to submit the medical packet by [REDACTED], the Department improperly denied the SDA application in accordance with Department policy. See BAM 130, p. 7, and BAM 815, pp. 1-4. As such, the Department is ordered to reregister and reprocess Petitioner's SDA application dated [REDACTED], in accordance with Department policy.

### **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 SDA application effective [REDACTED].

Accordingly, the Department's SDA 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. Initiate reregistration and reprocessing of Petitioner's SDA application dated [REDACTED];
2. Issue supplements to Petitioner for any SDA benefits she was eligible to receive but did not from [REDACTED], ongoing; and
3. Notify Petitioner of its decision.

EJF/jaf



---

**Eric J. Feldman**  
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]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]