



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: April 12, 2017  
MAHS Docket No.: 17-002050  
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 13, 2017, from Detroit, Michigan. The Petitioner was represented by Petitioner. [REDACTED] Case Manager, was also present on behalf of Petitioner. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

### **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. Petitioner applied for SDA benefits on [REDACTED].
2. On [REDACTED], the Department sent Petitioner a Notice of apply which instructed Petitioner to apply for SSI benefits through the Social Security Administration.
3. On [REDACTED], the Department denied Petitioner's application for SDA benefits because he failed to apply for SSI benefits.

4. On [REDACTED], Petitioner submitted a Request for Hearing disputing the Department's actions.
5. On [REDACTED] Conference.
6. At the Prehearing Conference, the Department agreed to reinstate Petitioner's application and allow him an opportunity to apply for SSI benefits.
7. At the Prehearing Conference, Petitioner was given a Verification of Application or Appeal for SSI/RSDI form to be completed and returned within 10 days.
8. Petitioner completed and submitted the form on [REDACTED].
9. On [REDACTED], the Department sent Petitioner a Notice of Case Action which notified Petitioner that his application for benefits had been denied because he failed to apply for SSI benefits.
10. On [REDACTED], Petitioner filed a Request for Hearing disputing the Department's actions.

#### **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]. Petitioner does not dispute that he did not apply for SSI benefits but maintains he did not do so due to confusion of the requirements.

Petitioner returned the Verification of Application or Appeal for SSI/RSDI on [REDACTED], [REDACTED]. The verification indicated that Petitioner applied for RSDI but not SSI. Petitioner and his Case Manager both testified that they did not understand there was a difference between RSDI and SSI and believe that since Petitioner had applied for benefits with the Social Security Administration, he satisfied the SDA requirements. The verification for references both RSDI and SSI.

The Department argued that the Notice to Apply sent on [REDACTED], specifically instructed Petitioner to apply for SSI benefits. Further, the Department

noted that the front of the verification form contained a checked box which instructed Petitioner to apply for SSI benefits. While it is true that the Department's documentation instructed Petitioner to apply for SSI benefits, if Petitioner was unaware that there was a difference between the two, he would not have realized that he completed the incorrect application.

Petitioner testified that he traveled a significant distance to apply for benefits with the Social Security Administration and would not have done so simply to apply for the incorrect type of benefits. The Department is required to send 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 (July 2016), p. 7.

In this case, Petitioner made a reasonable effort to provide the verification. Petitioner applied for RSDI benefits; attended to the Prehearing Conference in an attempt to correct deficiencies in his application and traveled to the Social Security Administration again to have the verification completed. Additionally, the Department has a duty to ensure that client responsibilities are explained in understandable terms. BAM 105 (October 2016), p. 13. In this case, Petitioner did not clearly understand his responsibilities. As such, 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 [REDACTED] application for SDA benefits.

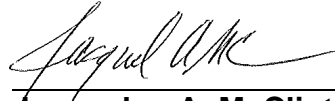
Accordingly, the Department's decision is **REVERSED**.

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 application for SDA benefits effective [REDACTED].
2. If approved, provide Petitioner with supplements he was eligible to receive but did not effective [REDACTED]; and

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]

**Petitioner**

[REDACTED]