



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: April 25, 2018
MAHS Docket No.: 18-001717
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; 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 April 19, 2018, from Detroit, Michigan. Petitioner appeared and was represented by [REDACTED], Petitioner's friend. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], specialist.

ISSUE

The issue is whether Petitioner is entitled to receive State Disability Assistance (SDA) effective March 2018.

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 was an ongoing SDA recipient.
2. On an unspecified date, Petitioner reported that she received ongoing gift income of \$[REDACTED]/month from her mother.
3. On January 29, 2018, MDHHS initiated termination of Petitioner's SDA eligibility effective March 2018 due to excess income.
4. On February 8, 2018, Petitioner requested a hearing to dispute SDA eligibility. In response to Petitioner's timely hearing request, MDHHS continued Petitioner's SDA eligibility pending the hearing outcome.

5. On various dates, Petitioner reported and verified to MDHHS that her mother paid bills directly for Petitioner and no longer gave Petitioner any direct income.
6. MDHHS testimony conceded that Petitioner's reporting and verifications entitled her to SDA benefits beginning March 2018.

CONCLUSIONS OF LAW

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a termination of SDA benefits beginning March 2018. MDHHS presented a Notice of Case Action (Exhibit A, pp. 6-10) dated January 29, 2018. The notice informed Petitioner of a termination of SDA benefits effective March 2018 due to excess income. The only income factored by MDHHS in the determination was \$700 in unearned income that Petitioner directly received from her mother. MDHHS presented an SDA budget (Exhibit A, pp. 28-29) and copies of policies from BEM 500 (Exhibit A, pp. 24-25) which strongly supported that MDHHS properly initiated termination of Petitioner's SDA eligibility.

In response to the termination notice, Petitioner requested a hearing within 10 days which entitled her to receive continuing benefits pending the hearing outcome (see BAM 600). MDHHS recognized Petitioner's timely hearing request and continued Petitioner's SDA eligibility through the hearing date. Petitioner's actions subsequent to the termination notice were indicative that the pending SDA termination should have stopped.

There are two types of written notice: adequate and timely [bold lettering removed]. BAM 220 (January 2018), p. 2. An adequate notice is a written notice sent to the client at the same time an action takes effect (not pended). *Id.*, p. 3. A timely notice is mailed at least 11 days before the intended negative action takes effect. *Id.*, p. 5. The action is pended to provide the client a chance to react to the proposed action. *Id.*

MDHHS testimony conceded that Petitioner reported and verified that she was no longer receiving income from her mother. MDHHS testimony also conceded that Petitioner's reporting rendered Petitioner to be eligible for SDA benefits beginning March 2018. Based on MDHHS' concession, it is assumed that Petitioner's reporting and/or verification justified revoking the negative action. Though Petitioner has not technically lost any benefits because of her pending hearing request, MDHHS will be ordered to reinstate Petitioner's SDA eligibility to clarify that Petitioner was entitled to receive SDA benefits from March 2018.

MDHHS testimony indicated that a dispute remained over Petitioner's SDA eligibility from December 2017 through February 2018. There can be no dispute because MDHHS never terminated or initiated termination of SDA benefits for the months from December 2017 through February 2018.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly stopped Petitioner's pending termination of SDA benefits. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Reinstate SDA benefits, effective March 2018; and
- (2) Issue any benefits improperly not issued to Petitioner.

The actions taken by MDHHS are **REVERSED**.

CG/



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]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

Authorized Hearing Rep.

[REDACTED]
[REDACTED]
[REDACTED]

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