



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: June 8, 2018
MAHS Docket No.: 18-003711
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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 three-way telephone hearing was held on June 5, 2018, from Lansing, Michigan. Petitioner represented herself for the hearing. The Department of Health and Human Services (Department) was represented by Heather Hill, Eligibility Specialist; and Kelly Hudson, Family Independence Manager.

ISSUE

Did the Department properly close Petitioner's State Disability Assistance (SDA) benefits effective May 1, 2018, ongoing?

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 February 11, 2016, Petitioner submitted an application seeking cash assistance (SDA) on the basis of a disability. [Exhibit A, pp. 5-16.]
2. On March 10, 2016, the Department sent Petitioner a Verification Checklist (VCL), which requested verification of her disability and it was due back by March 21, 2016. [Exhibit A, p. 17.]
3. On March 21, 2016, Petitioner submitted her Authorization to Release Protected Health Information and Medical-Social Questionnaire. [Exhibit A, p. 22.]

4. On March 21, 2016, reports show the caseworker sent Petitioner's case to the Medical Review Team (MRT) and/or Disability Determination Service (DDS) for a disability determination. [Exhibit A, p. 1.]
5. On March 22, 2016, Petitioner submitted medical documents. [Exhibit A, p. 22.]
6. On April 29, 2016, the caseworker approved the SDA benefits for Petitioner, despite no reports showing MRT/DDS approved Petitioner's disability determination. [Exhibit A, p. 1.]
7. On April 29, 2016, the Department sent Petitioner a Notice of Case Action notifying her that she was approved for SDA benefits effective March 1, 2016, ongoing, in the amount of \$ [REDACTED] monthly. [Exhibit A, pp. 19-21.]
8. Petitioner received ongoing SDA benefits, despite the Department claiming she received the benefits in error.
9. On March 21, 2018, Petitioner applied for Food Assistance Program (FAP) benefits. [Exhibit A, pp. 23-33.]
10. While processing the FAP application, Petitioner's new caseworker discovered the error, resulting in Petitioner's ongoing SDA benefits being terminated. [Exhibit A, pp. 1 and 34-35.]
11. On March 22, 2018, the Department sent Petitioner a Notice of Case Action notifying her that her ongoing SDA benefits would be closed effective May 1, 2018, due to her failure to return documentation to complete disability determination. [Exhibit A, pp. 34-35.]
12. On April 9, 2018, Petitioner filed a hearing request, protesting the Department's action. [Exhibit A, pp. 2-3.]

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 the present case, on February 11, 2016, Petitioner submitted an application seeking cash assistance (SDA) on the basis of a disability. [Exhibit A, pp. 5-16.] On March 10, 2016, the Department sent Petitioner a VCL, which requested verification of her

disability and it was due back by March 21, 2016. [Exhibit A, p. 17.] On March 21, 2016, Petitioner submitted her Authorization to Release Protected Health Information and Medical-Social Questionnaire. [Exhibit A, p. 22.] On March 21, 2016, reports show the caseworker sent Petitioner's case to the MRT for a disability determination. [Exhibit A, p. 1.] On March 22, 2016, Petitioner submitted medical documents. [Exhibit A, p. 22.] On April 29, 2016, the caseworker approved the SDA benefits for Petitioner, despite no reports showing MRT/DDS approved Petitioner's disability determination. [Exhibit A, p. 1.] On April 29, 2016, the Department sent Petitioner a Notice of Case Action notifying her that she was approved for SDA benefits effective March 1, 2016, ongoing, in the amount of \$ [REDACTED] monthly. [Exhibit A, pp. 19-21.] Petitioner received ongoing SDA benefits, despite the Department's claim that it approved these benefits in error. On March 21, 2018, Petitioner applied for FAP benefits. [Exhibit A, pp. 23-33.] While processing the FAP application, Petitioner's new caseworker discovered the error, resulting in Petitioner's ongoing SDA benefits being terminated. [Exhibit A, pp. 1 and 34-35.] On March 22, 2018, the Department sent Petitioner a Notice of Case Action notifying her that her ongoing SDA benefits would be closed effective May 1, 2018, due to her failure to return documentation to complete disability determination. [Exhibit A, pp. 34-35.]

In response, Petitioner argued she submitted the requested documents timely back in 2016.

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 (January 2016 and April 2017), p. 6. 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.

Additionally, BAM 815 explains the process for obtaining medical evidence provided by the client and how it would be reviewed by MRT/DDS. See BAM 815 (January 2016 and January 2017), p. 1-11.

At application or medical review if requested mandatory forms are not returned, the MRT/DDS cannot make a determination on the severity of the disability. BAM 815, p. 2. The Department denies the application or place 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. 2-10. For step 6, 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 (DHS-49-F) and Authorization to Release Protected Health Information (DHS-1555) are mandatory forms that must be completed. BAM 815, pp. 2-6.

As to verification of SSA application/appeal, 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.

Based on the foregoing information and evidence, the Department failed to satisfy its burden of showing that it closed Petitioner's SDA benefits effective May 1, 2018, in accordance with Department policy. Here, the undersigned Administrative Law Judge (ALJ) acknowledges that there appears to be an error in Petitioner's SDA case being initially approved. Nevertheless, the undersigned's authority is only to review the denial reasons from the Notice of Case Action dated March 22, 2018. [Exhibit A, pp. 34-35.] In that notice, the Department closed Petitioner's SDA case due to her failure to submit the requested verifications from the VCL dated March 10, 2016. [Exhibit A, pp. 17 and 34-35.] However, the undersigned disagrees. Policy specifically states that the Department should have sent Petitioner a DHS-3503-MRT, Medical Determination Verification Checklist, when determining her eligibility on the basis of a disability. There was no evidence presented by the Department showing that it sent Petitioner such a form. The Department did send Petitioner a VCL; however, this was the improper form to send Petitioner when she sought cash assistance (SDA) on the basis of a disability. [Exhibit A, pp. 17-18.]

Accordingly, because the Department failed to establish that it sent Petitioner the proper forms when determining her eligibility on the basis of a disability, it improperly closed her SDA benefits in accordance with Department policy. BAM 130, pp. 6-7 and BAM 815, pp. 1-6. As such, the Department is ordered to redetermine Petitioner's SDA eligibility effective May 1, 2018, 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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner's SDA benefits effective May 1, 2018.


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. Redetermine Petitioner's SDA eligibility for May 1, 2018, ongoing;

2. Issue supplements to Petitioner for any SDA benefits she was eligible to receive but did not from May 1, 2018, ongoing; and
3. Notify Petitioner of its decision.

EF/nr



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) 763-0155; 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

Kimberly Kornoelje
121 Franklin SE
Grand Rapids, MI
49507

Kent County DHHS- via electronic mail

BSC3- via electronic mail

L. Karadsheh- via electronic mail

Petitioner

