



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: December 20, 2017  
MAHS Docket No.: 17-014655  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Ellen McLemore**

**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 December 19, 2017, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Kathleen Scorpio-Butina, 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. On [REDACTED], 2017, Petitioner submitted an application for SDA.
2. On August 29, 2017, the Department sent Petitioner a Notice of Case Action informing Petitioner that her application for SDA benefits was denied for excess income.
3. On September 15, 2017, the Department reregistered and reprocessed the [REDACTED], 2017 SDA application, as Petitioner's income had changed.
4. On September 21, 2017, Petitioner submitted a DHS-1555, Authorization to Release Protected Health Information form (Exhibit C).

5. On October 18, 2017, the Department sent Petitioner a Notice of Case Action informing her that her application for SDA benefits was denied for her failure to submit all required documentation (Exhibit A).
6. On November 10, 2017, Petitioner submitted 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 submitted an application for SDA benefits on [REDACTED], 2017. The Department initially denied the application on [REDACTED], 2017, as Petitioner exceeded the income limits. However, the application was reinstated and reprocessed on September 15, 2017. On October 18, 2017, the Department sent Petitioner a Notice of Case Action informing her that her SDA application was denied for her failure to submit all necessary documentation.

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. A required step in the determination of a disability is that the client must submit a DHS-1555, Authorization to Release Protected Health Information, to request existing medical records. BAM 815, p. 4. The submission of a DHS-1555 is mandatory. BAM 815, p. 4. The Department will deny an application for SDA or place an approved program into negative action for the failure to provide required verifications. BAM 815, p. 2.

On September 21, 2017, Petitioner submitted a DHS-1555 (Exhibit C). However, a "received" stamp was placed next to Petitioner's name and address. DDS determined that the DHS-1555 was unusable due to the stamp. As a result, a new DHS-1555 was sent to Petitioner on October 5, 2017. On October 5, 2017, the Department received the second page of the DHS-1555 from Petitioner, but the copy was distorted.

On October 10, 2017, the Department sent Petitioner another DHS-1555. Petitioner stated that she resubmitted the completed form to the Department on October 13, 2017. Petitioner testified she submitted the form on four separate occasions. The Department

testified it did not receive the completed form. As a result, Petitioner SDA application was denied.

Petitioner gave credible testimony that she submitted the necessary documentation to the Department on multiple occasions. The Department confirmed it received the form on September 21, 2017, but it was unusable as a result of Department error. Additionally, the Department failed to provide Petitioner's Electronic Case File (ECF) to establish that Petitioner failed to submit subsequent copies of the DHS-1555. The ECF consists of scanned documents, arranged by category and identified by a client name, recipient ID or case number, established for a particular client group. BAM 300 (October 2016), p. 1. The ECF contains all forms, documents and other evidence to the group's current and past eligibility. BAM 300, p. 1. Therefore, the Department failed to establish that Petitioner did not submit the requisite documentation related to her SDA application.

### **DECISION AND ORDER**

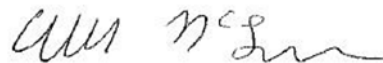
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's SDA application.

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], 2017 application for SDA benefits;
2. If Petitioner is eligible for SDA benefits, issue supplements she was entitled to receive but did not as a result of the application denial;
3. Notify Petitioner of its SDA decision in writing.

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**Ellen McLemore**

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**

MDHHS-Macomb-20-Hearings

**Petitioner**



BSC4  
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