



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: November 4, 2019  
MOAHR Docket No.: 19-010139  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: John Markey**

### **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 October 30, 2019 from Detroit, Michigan. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Dana Bongers, Lead Worker, and Carrie Taylor, Assistance Payments Supervisor. During the hearing, a 53-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-53.

### **ISSUE**

Was the Department properly reimbursed for its State Disability Assistance (SDA) benefits issued to Petitioner during a time period that Petitioner was subsequently granted retroactive SSI 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 to the Department an application for SDA benefits. Exhibit A, pp. 3-4.
2. On March 7, 2017, the Department issued to Petitioner a Reimbursement Authorization document. Petitioner signed the document and returned it to the Department on or about [REDACTED], 2017. In relevant part, Petitioner agreed to "authorize the Social Security Administration to make [his] retroactive Supplemental Security Income (SSI) payment to the State of Michigan Department of Human Services." Petitioner further agreed to "permit the DHS to deduct from such retroactive payment an amount that is enough to pay back [his] interim

assistance... After keeping such amount, the DHS shall promptly pay the balance” to Petitioner. Interim assistance was defined as “money funded by the state, paid to meet [an individual’s] basic needs while [his or her] SSI claim is pending.” Exhibit A, p. 5.

3. On July 27, 2017, the Department issued to Petitioner a Notice of Case Action informing Petitioner that he was approved for SDA benefits from March 16, 2017 through April 30, 2017. However, his case was to be closed, effective May 1, 2017 due to Petitioner gaining employment where he earned above the income limit for SDA eligibility. Exhibit A, pp. 14-15.
4. On October 31, 2017, Petitioner submitted to the Department another application for SDA benefits. By that time, Petitioner was no longer working and had no income. Exhibit A, pp. 20-21.
5. On November 3, 2017, the Department issued to Petitioner a Notice of Case Action informing Petitioner that he was approved for \$100 in SDA benefits from November 16, 2017 through November 30, 2017 and \$200 per month, effective December 1, 2017, ongoing. Exhibit A, pp. 22-23.
6. On August 10, 2018, the Department issued to Petitioner another Reimbursement Authorization document. Petitioner signed the document and returned it to the Department on or about [REDACTED], 2018. The 2018 Reimbursement Authorization had the same language as the 2017 Reimbursement Authorization. Exhibit A, p. 29.
7. On January 18, 2019, the Department issued to Petitioner a Benefit Notice informing Petitioner that his SDA case was closing, effective February 1, 2019. The case, however, did not close until March 1, 2019. Exhibit A, pp. 37-38; 46.
8. From March 16, 2017 through February 28, 2019, the Department issued to Petitioner \$3,225 in SDA benefits. Petitioner regularly accessed those benefits and exhausted all of them by the time of the hearing. Exhibit A, pp. 41-53.
9. At some point, Petitioner’s SSI application was approved, and he was awarded retroactive SSI benefits.
10. On September 5, 2019, the Social Security Administration issued to Petitioner a letter in response to Petitioner’s request for information concerning his SSI case. That letter informed Petitioner that \$3,225 of his retroactive SSI award went to the Department as reimbursement for the SDA benefits the Department paid to Petitioner from March 16, 2017 through February 28, 2019. Exhibit A, p. 39.
11. On [REDACTED] 2019, Petitioner submitted to the Department a request for hearing objecting to the amount the Department received from Petitioner’s retroactive SSI award.

### **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 objects to the Department's determination that Petitioner was liable to reimburse the Department an amount of \$3,225 out of his retroactive SSI award. The \$3,225 represents the amount the Department contends it paid Petitioner in SDA benefits from March 16, 2017 through February 28, 2019, a period that Petitioner was later found to be eligible for SSI benefits and awarded retroactive SSI benefits. Petitioner acknowledged that he received some SDA benefits during the time period but disputed the amount.

In support of its claim, the Department presented documentation showing that it paid Petitioner \$125 in SDA benefits from March 16, 2017 through April 30, 2017, at which time Petitioner's case was closed. The documents further show that Petitioner started receiving SDA benefits again in November 2017. That month he received \$100. Every month from December 2017 through February 2019, Petitioner then received \$200. When added up, it shows that Petitioner received \$425 in SDA benefits in 2017, \$2,400 in 2018, and \$400 in 2019. Altogether, the documents show that Petitioner received \$3,225 in SDA benefits from March 16, 2017 through February 28, 2019. The Department presented further documentation showing that Petitioner used all those SDA benefits.

Additionally, the Department provided Reimbursement Authorization documents signed by Petitioner agreeing to allow the Department to be reimbursed for the full amount of SDA benefits it paid out if Petitioner was eventually found to be eligible for SSI benefits during the period that he was receiving SDA benefits, which both sides acknowledge happened. When that occurred, the Department was reimbursed out of the retroactive SSI award the full \$3,225 in SDA benefits it had issued to Petitioner.

Under Department policy, the Department is entitled to repayment of SDA benefits it pays to a client during the interim assistance period from any accumulated retroactive SSI benefits he receives. BEM 270 (April 2016), p. 1; BEM 272 (January 2018), p. 1. The client must repay the regular and supplemental state-funded SDA paid during the interim assistance period. BEM 272, p. 4. The interim assistance period begins with the state-funded SDA pay period containing the retroactive SSI begin date and ends with the last interim assistance payment issued by the Department before the SSI accumulated benefits was received by the Department (unless a payment has been prepared and it is too late to stop the payment from being mailed in which case the interim assistance period includes this payment). BEM 272, pp. 4-5.


The evidence on the record shows that Petitioner received \$3,225 in SDA benefits during the interim assistance period. It further shows that the Department was reimbursed exactly \$3,225 from Petitioner's retroactive SSI award. The Department was entitled to that reimbursement. Thus, the Department's decision is affirmed.

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 acted in accordance with Department policy when it received \$3,225 out of Petitioner's retroactive SSI award as reimbursement of SDA benefits the Department paid Petitioner from March 16, 2017 through February 28, 2019.

#### **DECISION AND ORDER**

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

JM/tm

  
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**John Markey**  
Administrative Law Judge  
for Robert Gordon, 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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**DHHS**

Renee Olian  
322 Stockbridge  
Kalamazoo, MI  
49001

**Petitioner**

[REDACTED]  
[REDACTED]  
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[REDACTED]

cc: SDA: L. Karadsheh  
AP Specialist Kalamazoo (3)