



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: October 19, 2020  
MOAHR Docket No.: 20-005638  
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 hearing was held via telephone conference line on October 12, 2020. Petitioner participated and was unrepresented.<sup>1</sup> The Michigan Department of Health and Human Services (MDHHS) was represented by Tiffany Wallace, specialist.

### **ISSUE**

The issue is whether MDHHS properly terminated Petitioner's State Disability Assistance (SDA).

### **FINDINGS OF FACT**

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. As of July 2020, Petitioner was an ongoing recipient of \$200 in SDA benefits based on a 1-person group.
2. On an unspecified date, the Social Security Administration approved Petitioner for Supplemental Security Income (SSI) benefits.
3. As of August 2020, Petitioner received \$788 in ongoing monthly SSI benefits.<sup>2</sup>

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<sup>1</sup> During the hearing, Petitioner's participation abruptly ended near the end of the hearing. A few minutes were given for Petitioner to call back, but she did not. The hearing ended and the record was closed in Petitioner's absence.

<sup>2</sup> Petitioner was eligible for \$774 in federal-issued benefits and \$14 in state-issued benefits (which were paid quarterly).

4. On August 6, 2020, MDHHS terminated Petitioner's SDA eligibility beginning September 2020 due to excess income.
5. On August 25, 2020, Petitioner requested a hearing disputing the termination of SDA.

### **CONCLUSIONS OF LAW**

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. MDHHS (formerly known as the Family Independence Agency) 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 "appeal my cash benefit".<sup>3</sup> In response to Petitioner's written request, MDHHS prepared for a dispute over a recent termination of Petitioner's SDA eligibility. Petitioner testified that she intended to request a hearing to dispute a reduction in a lump sum payment from SSA after she was approved for SSI benefits. Petitioner's hearing request made no reference to SSI approval, a lump sum benefit, or any interception of benefits by MDHHS. For a hearing over a disputed lump sum payment, relevant evidence would include the amount of payment issued to Petitioner, the amount taken by MDHHS, a copy of any repayment agreements signed by Petitioner, and Petitioner's past SDA issuances. MDHHS was unprepared to address the dispute. Proceeding with a hearing to address a dispute over Petitioner's lump sum payment amount would violate MDHHS's due process due to the lack of notice of Petitioner's complaint.<sup>4</sup> Thus, Petitioner was denied a hearing for her complaint of the amount of her lump sum payment.<sup>5</sup> The analysis will proceed to determine if MDHHS properly terminated Petitioner's SDA eligibility.

Throughout the hearing, Petitioner testified that she suffered from a history of disabilities and sexual abuse. Seemingly, Petitioner's testimony was intended to explain her need for cash benefits. Though tragic, Petitioner's history is not relevant to SDA eligibility.

A Notice of Case Action dated August 7, 2020, stated that Petitioner's SDA eligibility would end beginning September 2020. Exhibit A, pp. 12-13. The stated reason for termination was excess income.

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<sup>3</sup> Petitioner also referenced a need for ongoing health coverage. It was not disputed that MDHHS had not terminated Petitioner's ongoing Medicaid benefits. Thus, her hearing request was not interpreted as a dispute over Medicaid.

<sup>4</sup> As a courtesy to Petitioner, the dispute was briefly discussed during the hearing. Petitioner repeatedly stated that she did not sign a repayment agreement. MDHHS testified that on June 12, 2017, Petitioner signed a Reimbursement Authorization which authorized MDHHS for reimbursement for SDA benefits paid to Petitioner. MDHHS testified that Petitioner would be mailed a copy of the authorization.

<sup>5</sup> Petitioner can still request a hearing disputing the amount of her SSI lump sum payment. If she does, she is encouraged to make that clear in her written hearing request.

To receive SDA, the certified group must be in financial need to receive benefits. BEM 515 (October 2018) p. 1. Need is determined to exist when budgetable income is less than the payment standard established by MDHHS. *Id.* The payment standard is the maximum benefit amount that can be received by the benefit group. *Id.* Income is subtracted from the payment standard to determine the grant amount. *Id.*

It was not disputed that Petitioner received \$788 in monthly SSI benefits. For SDA, MDHHS counts the gross amount of SSI benefits as unearned income. BEM 503 (September 2020), p. 35. For SDA budgetary purposes, Petitioner's monthly income of \$788 is countable. No relevant deductions or expenses were applicable.

The SDA payment standard for an unmarried person is \$200. RFT 225 (December 2013), p. 1. Petitioner's countable income exceeded the SDA payment standard. Thus Petitioner was ineligible for SDA due to excess income and MDHHS properly terminated Petitioner's SDA eligibility.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's SDA eligibility beginning September 2020. The actions taken by MDHHS are **AFFIRMED**.

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**Christian Gardocki**  
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

**Via Email:**

MDHHS-Wayne-17-Hearings  
M. Holden  
D. Sweeney  
D. Smith  
EQADHearings  
BSC4  
MOAHR

**Petitioner – Via First-Class Mail:**

[REDACTED]  
[REDACTED], MI [REDACTED]