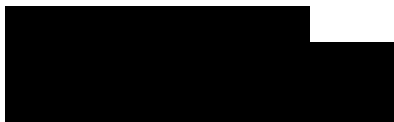


STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 20083983
Issue No: 4060
Case No: [REDACTED]
Hearing Date: July 6, 2011
Kent County DHS

ADMINISTRATIVE LAW JUDGE: Corey A. Arendt

HEARING DECISION

This matter is assigned to me pursuant to 7 CFR 273.18; 45 CFR 233.20(a)(13); MCL 400.9; MCL 400.37; MCL 400.43(a); MAC R 400.941 and MCL 24.201, *et seq.*, upon a hearing request by the Department of Human Services (Department) to establish an over issuance of benefits to Respondent. After due notice was mailed to Respondent, a hearing was held on July 6, 2011, at which Respondent did not appear. This matter having been initiated by the Department and due notice having been provided to Respondent, the hearing was held in accordance with Bridges Administrative Manual, Item 725.

ISSUE

Did the claimant receive an over issuance (OI) of State Disability Assistance (SDA) benefits?

FINDINGS OF FACT

I, based upon the competent, material, and substantial evidence on the whole record, find as material fact:

1. On January 30, 2007, the Department sent Claimant a timely written notice that his SDA benefits were scheduled to be terminated effective February 11, 2007 due to ineligibility. (Hearing Summary).
2. On February 7, 2007, the Claimant submitted to the Department a timely hearing request. The Claimant requested his SDA benefits be reinstated pending the outcome of the hearing. (Hearing Summary).

3. On February 15, 2007, the Department reinstated the Claimant's SDA benefits pending the outcome of the hearing. (Hearing Summary).
4. On September 12, 2007, an in-person hearing was held regarding Claimant's SDA benefit eligibility. (Hearing Summary).
5. On September 21, 2007, an Administrative Law Judge issued a decision and order upholding the Agency's proposed SDA termination. (Hearing Summary, Department Exhibit 2-4).
6. On October 5, 2007, the Department terminated Claimant's SDA benefits. (Hearing Summary).
7. On October 24, 2007, the Department issued Claimant a Notice of OI. The Notice of OI stated the Claimant was OI benefits in the amount of [REDACTED] for the period of March 2007 through October 2007. (Department Exhibit 6).
8. On October 31, 2007, the Claimant filed a hearing request regarding the October 24, 2007 Notice of OI. (Department Exhibit 1).

CONCLUSIONS OF LAW

The SDA program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Departmental policy, states that when the client group receives more benefits than the group is entitled to receive, the Department must attempt to recoup the OI. Repayment of an OI is the responsibility of anyone who was an eligible, disqualified, or other adult in the program group at the time the OI occurred. Bridges will collect from all adults who were a member of the case. OIs on active programs are repaid by lump sum cash payments, monthly cash payments (when court ordered), and administrative recoupment (benefit reduction). OI balances on inactive cases must be repaid by lump sum or monthly cash payments unless collection is suspended. BAM 725.

OVERISSUANCE THRESHOLD

FIP, SDS, CDC and FAP Only

Department error OIs are not pursued if the estimated OI amount is less than \$500 per program.

Client error OIs are not established if the OI amount is less than \$125, unless:

- . the client or provider is active for the OI program, or
- . the OI is a result of a Quality Control (QC) audit finding.
PAM 700, p. 7.

In this case, the Claimant requested the Agency continue to pay him benefits while a hearing on his SDA eligibility was pending. After the hearing, an Administrative Law Judge found the Claimant ineligible for SDA benefits and upheld the Agency's prior proposal to terminate the Claimant's benefits. Therefore, the Claimant now owes back the Agency for the benefits he received during a period in which he was found to be ineligible. **Regardless of fault, the Department must attempt to recoup the OI.**

I find the evidence presented by the Department shows the Respondent received more benefits than he was entitled to receive. Therefore, Respondent is responsible for repayment of the OI.

DECISION AND ORDER

I, based upon the above findings of fact and conclusions of law, decide the Respondent received an OI of SDA benefits for the time period of March 2007 through October 2007. The Department is entitled to recoup those OI benefits.

The Department is therefore entitled to recoup an SDA OI of [REDACTED] from the Respondent.

The Department shall initiate collection procedures in accordance with Department policy.

/s/

Corey A. Arendt
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: July 8, 2011

Date Mailed: July 11, 2011

NOTICE: The law provides that within 60 days from the mailing date of the above hearing Decision the Respondent may appeal it to the circuit court for the county in which he/she resides or has his or her principal place of business in this state, or in the circuit court for Ingham County. Administrative Hearings, on its own motion, or on request of a party within 60 days of the mailing date of this Hearing Decision, may order a rehearing.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

CAA/cr

cc:

