

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 200920688
Issue No: 4060
Case No: [REDACTED]
Hearing Date: July 20, 2011
Alpena 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 20, 2011, at which Respondent did 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 Child Development Care (CDC) benefits?

FINDINGS OF FACT

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

1. As of March 12, 2008, Claimant was receiving CDC benefits.
2. Claimant employed his sister ([REDACTED]) to be the daycare aid for his child for CDC purposes. Mrs. Mendenhall lived with the Claimant from at least March 12, 2008 through May 10, 2008.
3. On March 12, 2008, Claimant lost his job at [REDACTED]
4. On or around March 12, 2008, the Claimant told his case worker at the Department that he lost his job and no longer needed CDC benefits.
5. On approximately March 28, 2008, [REDACTED] sent the Department a Verification of Employment form regarding Claimant's employment. The

form indicated the Claimant was temporarily off work for health reasons. (Department Exhibit 14).

6. From March 16, 2008 through May 10, 2008, [REDACTED] billed the Department for CDC services in the amount of [REDACTED].
7. From March 16, 2008 through May 10, 2008, the Department issued CDC payments to the Claimant to pay his sister in the amount of [REDACTED].
8. From March 16, 2008 through May 10, 2008, the Claimant was off of work.
9. On February 18, 2009, the Department issued the claimant a Notice of Over issuance for the time period of March 16, 2008 through May 10, 2008. (Department Exhibit 5-8).

CONCLUSIONS OF LAW

The CDC program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990 and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. 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.

Provider Error

CDC Only

Provider errors are OIs caused by a provider. However, day care aid payments are issued to the Client. So OIs involving client checks are treated as client OIs. PAM 715.

In this case, the Claimant continued to receive CDC payments during a period in which he was ineligible to receive them. Regardless of fault, an OI occurred and the Department must attempt to recoup the OI. Because the Claimant received the warrants and was to reimburse the provider for the services billed, the error is attributable to the Client.

Therefore, I find based on the evidence presented, the Claimant received more benefits than he was entitled to receive and the Claimant is responsible for repayment of the OI.

DECISION AND ORDER

I, based upon the above findings of fact and conclusions of law, decide the Claimant received an OI of CDC benefits and the Department is entitled to recoup the OI.

The Department is therefore entitled to recoup a CDC OI of [REDACTED] from the Claimant.

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 20, 2011

Date Mailed: July 21, 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:

