

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 201048330
Issue No: 1030
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
September 16, 2010
Ionia County DHS

ADMINISTRATIVE LAW JUDGE: Kevin Scully

HEARING DECISION

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on June 14, 2010. After due notice, a telephone hearing was held on Thursday, September 16, 2010.

ISSUE

Whether the Department of Human Services (Department) properly determined that the Claimant received an overissuance of Family Independence Program (FIP) benefits?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. The Claimant is an ongoing FIP recipient.
2. On August 17, 2009, the Claimant reported to the Department that [REDACTED] had joined her FIP group. Department Exhibit 2.
3. On September 14, 2009, the Department sent the Claimant a Verification Checklist with a due date of September 24, 2009. Department Exhibit 3.
4. On September 15, 2009, the Department sent the Claimant a Redetermination form with a due date of October 1, 2009. Department Exhibit 10.

5. The Department received verification of income earned by [REDACTED] on September 22, 2009, and he receives monthly earned income in the gross monthly amount of \$ [REDACTED] Department Exhibits 6 – 9.
6. Due to Department error, income earned by W.S. was not used to determine the Claimant's FIP grant for October of 2009. The Claimant received a FIP grant of \$ [REDACTED] Department Exhibit 15.
7. On October 12, 2009, the Department notified the Claimant that her monthly FIP grant would decrease to \$ [REDACTED] due to an increase in group income. Department Exhibit 20.
8. On June 3, 2010, the Department notified the Claimant that she had received an overissuance of FIP benefits totaling \$ [REDACTED] in October of 2009. Department Exhibit 24.
9. The Department received the Claimant's request for a hearing on June 14, 2010, protesting the recoupment of FIP benefits.

CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, et seq. The Department of Human Services (DHS or Department) administers the FIP program pursuant to MCL 400.10, et seq., and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RTM), and the Bridges Reference Manual (BRM).

An overissuance is the amount of benefits issued to the client group in excess of what they were eligible to receive. BAM 705. The amount of the overissuance is the amount of benefits the group actually received minus the amount the group was eligible to receive. BAM 720. When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the overissuance. BAM 700.

Department errors are caused by incorrect actions by the Department. BAM 705. Department error overissuances are not pursued if the estimated overissuance is less than \$ [REDACTED] per program. BAM 700. Client errors occur when the customer gave incorrect or incomplete information to the Department. Client errors are not established if the overissuance is less than \$ [REDACTED] unless the client group is active for the overissuance program, or the overissuance is a result of a quality control audit finding. BAM 700.

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every

other week, the Department multiplies the average bi-weekly amount by 2.15. BEM 505.

Families receive EFIP for up to six months, with a grant of \$ [REDACTED] when losses of FIP eligibility relates to income from employment of a FIP program group member. BEM 519

The Claimant was receiving FIP benefits when she reported to the Department on August 17, 2009, that [REDACTED] had joined her FIP group. On September 14, 2009, the Department sent the Claimant a Verification Checklist with a due date of September 24, 2009. On September 14, 2009, the Department sent the Claimant a Redetermination form with a due date of October 1, 2009. The Department received verification of [REDACTED] income on September 22, 2009. The Department did not process [REDACTED] income in a timely manner or use it to determine the Claimant's FIP grant for October 2009. The Claimant received a FIP grant of \$ [REDACTED] but would have been eligible for a FIP grant of only \$ [REDACTED] if the Department had applied the income earned by [REDACTED] to the Claimant's FIP budget. On June 3, 2010, the Department notified the Claimant that she had received an overissuance of FIP benefits totaling \$ [REDACTED]

The Claimant's household was not receiving any income when [REDACTED] became a group member, and [REDACTED] receives monthly earned income in the gross monthly amount of \$ [REDACTED]. This was determined by taking the average of the four paychecks he received in September of 2009, and multiplying the result by the conversion factor of 4.3 as directed by BEM 505. The Claimant's net income of \$ [REDACTED] was determined by reducing the group's gross income by \$ [REDACTED] and then an additional 20%. The FIP payment standard for a group of four is \$ [REDACTED]. Since the Claimant's FIP net income was greater than the payment standard, she was not eligible to receive a FIP grant for October of 2009. The Claimant was eligible for a \$ [REDACTED] FIP grant under the Extended FIP program because her ineligibility for FIP was caused by employment of a group member.

The Claimant does not dispute that a member of her FIP group received income, but testified that she fulfilled her duty to report this income to the Department.

The Department has established that due to its failure to act on information reported by the Claimant in a timely manner, the Claimant received FIP benefits that she was not entitled to receive in October of 2009. Because the amount of the overissuance is over \$ [REDACTED] the Department is required to recoup this amount.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department is entitled to recoup the \$ [REDACTED] FIP overissuance received by the Claimant.

The Department's recoupment of overissued FIP benefits is AFFIRMED. It is SO ORDERED.

____/s/

Kevin

Scully
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: October 6, 2010

Date Mailed: October 7, 2010

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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.

KS/alc

cc:

A large black rectangular redaction box covering several lines of text in the cc field.