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

IN THE MATTER OF: Reg. No: 20122035 Issue No: 4060

Issue No:

Hearing Date: January 5, 2012

Grand Traverse County DHS

ADMINISTRATIVE LAW JUDGE: Christopher S. Saunders

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on January 5, 2012. The respondent personally appeared and provided testimony.

<u>ISSUE</u>

Did the Respondent receive an overissuance of State Disability Assistance (SDA) benefits that the department is entitled to recoup?

FINDINGS OF FACT

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

- 1. Respondent was receiving SDA benefits during the time period of March 1, 2011 through September 30, 2011. (Department Exhibits 7-8).
- 2. The Respondent was qualified for SDA benefits as a result of being enrolled in (Department Hearing Summary).
- The Respondent's case closed on December 28, 2010.
 (Department Hearing Summary).
- 4. The Respondent received SDA benefits from March 31, 2011 through September 30, 2011 in the amount of (Department Exhibits 7-8).

5. The Respondent filed a hearing request regarding the alleged overissuance on September 23, 2011.

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or 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 Program Reference Manual (PRM).

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 over issuance. 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 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 unless the client group is active for the over issuance program, or the overissuance is a result of a quality control audit finding. BAM 700.

Department errors are caused by incorrect actions by the Department of Human Services (DHS) or the Department of Information and Technology staff or department processes. Some examples are available information was not used or was used incorrectly, policy was misapplied, action by local or central office staff was delayed, computer errors occurred, information was not shared between department divisions (services staff, Work First! agencies, etc.) or data exchange reports were not acted upon timely (Wage Match, New Hires, BENDEX, etc.). If the department is unable to identify the type of overissuance, it is recorded as a department error. BAM 705. Department error overissuances are not pursued if the estimated overissuance is less than \$125 per program. BAM 700.

In the case at hand, the department was not able to state whether this case involved an agency or client error. Based on the above-mentioned policy, because the department was not able to identify the type of overissuance, this Administrative Law Judge will find that the overissuance was a department error. BEM 261 lists the eligibility factors for the SD program. One eligibility factor is if a claimant is receiving services. Because the Respondent was eligible for SDA benefits based on his receipt of services, the Respondent would no longer be eligible for SDA once their case was closed absent meeting any other eligibility criteria. There was no evidence presented that the Respondent was otherwise eligible for SDA benefits aside from his participation in the Respondent was otherwise eligible for SDA benefits and in turn, any SDA benefits issued after eligibility ended would have been issued in error. This Administrative Law Judge finds that the Respondent received an overissuance of SDA benefits in the amount of for the period of March 1, 2011 through September 30, 2011.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Respondent was overissued SDA benefits, and there is a current balance due and owing to the department in the amount of

Accordingly, the Administrative Law Judge ORDERS that the Respondent shall reimburse the department for SDA benefits ineligibly received, and the department shall initiate collection procedures in accordance with department policy.

Christopher S. Saunders
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: _January 25, 2012

Date Mailed: January 26, 2012

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.

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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.

CSS/cr

