

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201226263  
Issue No: 4060  
Case No: [REDACTED]  
Hearing Date: May 1, 2012  
St. Clair 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 the Department of Human Services' (the department) request for a disqualification hearing. After due notice, a telephone hearing was held on May 1, 2012. The respondent personally appeared and provided testimony.

**ISSUE**

Did the Respondent receive an overissuance of Child Development and Care (CDC) 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 a recipient of CDC benefits during the time period of April 27, 2008 through June 7, 2008.
2. The Respondent stated on her application that her day care provider was a relative.
3. The Respondent's day care provider was therefore authorized to bill at the higher relative care provider rate.
4. The Respondent's day care provider was paid at the relative care provider rate.
5. The Respondent's day care provider was not in fact a relative.
6. The department contends that the Respondent received an overissuance of CDC benefits for the period of April 27, 2008 through June 7, 2008.

## **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 Child Development and Care 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 of Human Services (DHS or 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), Reference Table Manual (RFT), 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 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 \$125 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 \$125 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.

This case was initially requested by the Office of Inspector General (OIG) as a hearing for an intentional program violation. At the beginning of the hearing, the OIG agent testified that she no longer wished to pursue the matter as an intentional program violation, but that she wanted her hearing request amended to that of a debt establishment. The Administrative Law Judge will therefore examine the matter as a debt establishment due to client error as opposed to an intentional program violation.

Because the Respondent's child care provider was listed as a relative, she was paid at the relative care provider rate. Had she been listed as a non-relative, the provider would have been paid at a lower, non-relative rate. Therefore, the provider's status as a relative would not have precluded eligibility, just eligibility at the higher rate. Accordingly, the Administrative Law Judge finds that there was a client error committed that caused an overissuance of CDC benefits. At the relative provider rate, the CDC benefits issued were [REDACTED] for the period of April 27, 2008 through June 7, 2008. If benefits were issued at the non-relative provider rate, the proper benefit amount issued would have been [REDACTED]. Therefore, the Respondent received an overissuance of CDC benefits in the amount of [REDACTED] due to client error.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Respondent received an overissuance of CDC benefits in the amount of [REDACTED] for the period of April 27, 2008 through June 7, 2008. The entire balance is still due and owing to the department.

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

/s/

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

Date Signed: May 21, 2012

Date Mailed: May 22, 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

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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.

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