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

IN THE MATTER OF:



Reg. No:201327562Issue No:1006Case No:Hearing Date:Hearing Date:February 20, 2014Mecosta County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne D. Sonneborn

HEARING DECISION

Upon a hearing request by the Department of Human Se rvices (Department) to establish an overissuance (OI) of benefits to Respondent, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, 400.43a, and 24.201, et seq., and Mich Admin Code, R 400.941, and in acc ordance with 7 CFR 273.15 to 273.18, 42 CFR 431. 200 to 431.250, 45 CFR 99.1 to 99.33, and 45 CFR 205.10. Following due notice mailed to Respondent at her las t known address on file with the Department, which notice was not returned to the Michigan Administrative Hearing System as undeliverable mail, a telephone hearing was held on February 20, 2014 from Lansing, Michigan. Respondent did not appear. This matter having been initiated by the Department and due notice having been pr ovided to Respondent, the hearing was held in Respondent's absence in accordance with Department of Human Services Bridges Administrative Manual (BAM) 725, pp. 13-17. The department was represented a recoupment specialist with the department's Mecosta County office. by

<u>ISSUE</u>

Whether Respondent received an over issuance (OI) of Family Independence Program (FIP) benefits that the Department is entitled to recoup?

FINDINGS OF FACT

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

- 1. Respondent was a recipient of FIP benefits at all times relevant to this matter.
- 2. On December 20, 2012, the Department discovered that, due to agency error, the department failed to budget Respon dent's em ployment earnings f or the months of March and April 2012, wh ich employment Re spondent had t imely reported to the Department. (Department Exhibits 1-5)

- 3. Due to the Department's agency error, Respondent received an over issuance of FIP benefits in the amount of **\$** for the period March 1, 2012 through April 30, 2012. (Department Exhibits 6-7)
- 4. On January 2, 2013, the Department mailed Respondent a written notice (DHS-4358-A) that she received an over issuan ce of FIP benefits in the amount of for the period March 1, 2012 thr ough April 30, 2012 as a result of agency error. (Department Exhibit 8)
- 5. On January 14, 2013, Claimant subm itted a hearing request, protesting the department's determination that she must repay the FIP over-issuances.
- 6. A notice of debt collect ion hearing was mailed to Res pondent at her last k nown address and was not returned by the United States Postal Service as undeliverable.

CONCLUSIONS OF LAW

Clients have the right to c ontest a department decis ion affe cting eligibil ity or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to rev iew the de cision and determine the appropriateness of that decision. Department of Human Serv ices Bridges Adminis trative Manual (BAM) 600 (2011), p. 1. The regulations gov erning the h earing and appeal pr ocess for applicants and recipients of public assistance in Michigan are found in sections 400.901 to 400.951 of the Michigan Administrative C ode (Mich Admin Code). An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. Mich Admin Code R 400.903(1).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and W ork Opportunity Reconc iliation Act of 1996, PL 104-193, and 42 USC 601 to 679c. The Depart tment (formerly known as the Family Independence Agency) administers FIP pursuant to MC L 400.10 and 400.57a and Mich Admin Code, R 400.3101 to .3131.

All earned and unear ned income available to t he client is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensa tion or profit. Unearned incom e means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), S tate Disability Assistance (SDA), Child Dev elopment and Care (CDC), Medicaid (MA), Social Se curity Benefits (RSDI/SSI), Veterans Administration (VA), Unemploy ment Com pensation Benefits (UCB), Adult Medical Program (AMA), alimony, and c hild support payments. The amount counted may be more than the client actually receives bec ause the gross amount is used prior to any deductions. BEM 500.

The Department determines a client's el igibility for program benefits based on the client's act ual inc ome and/or prospective in come. Actual income is income that w as already received. Prospective income is income not yet received but exp ected. Prospective budgeting is the best estimate of the client's future income. BEM 505.

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

An over issuance is the amount of benefits issued to the cli ent group in excess of what they were eligible to receive. BAM 705. The amount of the over issuance is the amount of benefits the group actually received minus the amount the group was eligible t o 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 over issuances are not pursued if the estimated over issuance is less than **\$** per program. BAM 7 05. The agency error threshold was rais ed to **\$** from **\$** with an effective date of December 1, 2012. BAM 7 05. Client errors occur when the customer gave incorrect or incomplete information to the Department. Clien t errors are not established if the over issuance is less than **\$** unless the client group is active for the over issuance program, or the over issuance is a result of a quality control audit finding. BAM 700.

At the February 20, 2014 hear ing, the Department's representative, recoupment specialist, **sector** provided sufficient and undisputed testimony and documentary evidence establishing that Re spondent accurately and t imely reported her employment to the Department in January 2012. However, due to agency error, the Department filed to properly budget Respondent's employment income, resulting in Respondent's receipt of an ov er issuance of over issuance of FI P benefits in the amo unt of **\$** for the period March 1, 2012 through April 30, 2012.

Testimony and other evidence must be we ighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). Moreover, the weight and credi bility of this evidenc e is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997).

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record and finds, based on the competent, material, and

substantial evidence presented during the February 20, 2014 hearing, the Department properly determined that Respon dent received an over issuance of FIP benefits in the amount of \$ for the per iod March 1, 2012 through Ap ril 30, 2012, which the department is required to recoup.

DECISION AND ORDER

The Administrative Law Judge, based upon t he above findings of fact and conclusions of law, decides that the department properly determined that Claimant received an over issuance of FIP benefits in the amount of **Sectors** for the period March 1, 2012 through April 30, 2012, which the department is required to recoup. Accordingly, the department's recoupment of Claim ant's over issuance of FI P benefits in the amount of **Sectors** is **UPHELD** and the Department is ORDERED to in itiate collection procedures in this amount in accordance with Department policy.

It is **SO ORDERED**.

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

Date Signed: February 21, 2014

Date Mailed: February 21, 2014

NOTICE OF APPEAL: The claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Deci sion and Order or, if a ti mely Request for Rehearing or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Rec onsideration or Rehearing Decision.

Michigan Administrative Hearing System (MAHS) may order a rehearing or reconsideration on either its own motion or at the req uest of a p arty within 30 days of the mailing date of this De cision and Order. MAHS will not order a rehearing or reconsideration on the Department's motion where the final deci sion cannot be implemented within 90 days of the filing of the original request (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existe d at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to a ddress in the hearing d ecision relevant issues raised in the hearing request.

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The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings Reconsideration/Rehearing Request P.O. Box 30639 Lansing, Michigan 48909-07322

SDS/hj

