

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-004418  
Issue No.: 3008  
Case No.: [REDACTED]  
Hearing Date: May 12, 2015  
County: Barry

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

Following Respondent's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 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. After due notice, telephone hearing was held on May 12, 2015, from Lansing, Michigan. Participants on behalf of the Department of Health and Human Services (Department) included Patrick Lynaugh, Recoupment Specialist. Respondent did not appear. This matter having been initiated by the Department and due notice having been provided to Respondent, the hearing was held in Respondent's absence in accordance with Department of Health and Human Services Bridges Administrative Manual (BAM) 725 (July 1, 2014), p 8.

**ISSUE**

Did the Department properly determine that the Respondent received an overissuance of Food Assistance Program (FAP) benefits?

**FINDINGS OF FACT**

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

1. The Respondent was an ongoing Food Assistance Program (FAP) recipient as a simplified reporting group of five from August 1, 2013, through January 31, 2014.
2. From August 1, 2013, through January 31, 2014, the Respondent received FAP benefits totaling \$ [REDACTED].
3. On February 25, 2015, the Department notified the Claimant that she had received an overissuance of FAP benefits.
4. On March 19, 2015, the Department received the Claimant's request for a hearing protesting the recoupment of the FAP overissuance.

## **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overissuance. An agency error is caused by incorrect action (including delayed or no action) by Department staff or Department processes. A client error occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to the department. Client and agency errors are not pursued if the estimated amount is less than \$250 per program. Department of Health and Human Services Bridges Administrative Manual (BAM) 700 (May 1, 2014), pp 1-9.

Overissuance balances on inactive cases must be repaid by lump-sum or monthly cash payments unless collection is suspended. Department of Health and Human Services Bridges Administrative Manual (BAM) 725 (July 1, 2014), p 8.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount within 10 days of receiving the first payment reflecting the change. Department of Human Services Bridges Assistance Manual (BAM) 105 (January 1, 2015), pp 1-20.

Simplified reporting groups are required to report only when the group's actual gross monthly income (not converted) exceeds the SR income limit for their group size. No other change reporting is required. If the group has an increase in income, the group must determine their total gross income at the end of that month. If the total gross income exceeds the group's simplified reporter income limit, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. Once assigned to simplified reporting, the group remains in simplified reporting throughout the current benefit period unless they report changes at their semi-annual contact or redetermination that make them ineligible for simplified reporting. The income limit is 130 percent of the poverty level based on group size. Department of Health and Human Services Bridges Administrative Manual (BAM) 200 (December 1, 2013), pp 1-6.

The Respondent was an ongoing Food Assistance Program (FAP) recipient as a simplified reporting group of five from August 1, 2013, through January 31, 2014. The Respondent was employed and received earned income from May 16, 2013, through May 8, 2014. The Respondent's husband was employed and received earned income from August 6, 2012, through April 19, 2014. The Respondent also received child


support income. The Respondent reported to the Department that her benefit group was receiving income, but she failed to report when her family's combined income exceeded the simplified reporting income limit of \$ [REDACTED] Department of Health and Human Services Reference Table Manual (RFT) 250 (December 1, 2013), p 1. From August 1, 2013, through January 31, 2014, the Respondent received FAP benefits totaling \$ [REDACTED] but would not have been eligible for any of these benefits due to excess income if all of the group's income had been reported to the Department in a timely manner. The Respondent received a FAP overissuance of \$ [REDACTED] due to the Respondent's error when she failed to notify the Department that her family's gross countable income had exceeded the simplified reporter income limit.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it determined that the Respondent had received a FAP overissuance of \$ [REDACTED] that the Department is required to recoup.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

The Department is ORDERED to initiate collection procedures for an \$ [REDACTED] client error overissuance in accordance with Department policy.

  
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Kevin Scully  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **5/18/2015**

Date Mailed: **5/18/2015**

KS/las

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed 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 address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

cc:

