

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 14-017268  
Issue No.: 1006  
Case No.: ██████████  
Hearing Date: April 06, 2015  
County: JACKSON

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

**HEARING DECISION**

Upon the request for a hearing by the Department of Health and Human Services (Department), this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, and in accordance with Titles 7, 42 and 45 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16 and 45 CFR 235.110; and with Mich Admin Code, R 400.3130 and 400.3178. After due notice, a telephone hearing was held on April 6, 2015, from Detroit, Michigan. The Department was represented by ██████████ ██████████ FIM, who appeared on behalf of the Department of Health and Human Services.

Participants on behalf of Respondent included the Respondent.

Did Respondent receive an OI of FIP Cash Assistance benefits due to Agency Error?

**FINDINGS OF FACT**

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

1. Respondent was a recipient of FIP cash assistance benefits from the Department.
2. The Department alleges Respondent received a FIP OI during the period March 1, 2014, through July 31, 2014, due to **Department's** error.
3. At the hearing the Department amended and reduced the amount of the overissuance to \$618. Exhibit 1, p. 3, 9 and p. 22
4. The Department alleges that Respondent received a \$618 OI that is still due and owing to the Department.
5. The Department requested a debt collection hearing on December 9, 2014 alleging an overissuance of FIP benefits due to Agency Error.

## 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), and Department of Health and Human Services Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Department of Human Services) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101 to .3131.

Additionally, in this case the Department seeks a recoupment of FIP benefits due to an Agency Error when the Department did not include earned income that the Claimant had reported to the Department when determining FIP eligibility.

When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the OI. BAM 700 (May 2014), p. 1. The amount of the OI is the benefit amount the group or provider actually received minus the amount the group was eligible to receive. BAM 705 (July 2014), p. 6.

An agency error is caused by incorrect actions (including delayed or no action) by the Department of Human Services (DHS) staff or department processes. BAM 705, p. 1. 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 such as services staff.
- Data exchange reports were not acted upon timely (Wage Match, New Hires, BENDEX, etc.).

BAM 705, p. 1. If the Department is unable to identify the type of record, it is an agency error. BAM 705, p. 1.

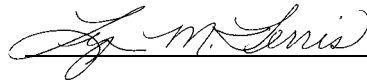
Ultimately it is determined that the overissuance budgets reviewed at the hearing for the overissuance period were based upon the actual earned income received by the Respondent from her employer, ██████, but not included by the Department, were correct as presented. Based upon this review, it is determined that the Department has established an overissuance of \$618 for the period March 1, 2014 through July 31, 2014 which it is entitled to pursue.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department **did** establish a FIP benefit OI to Respondent totaling \$618.

**DECISION AND ORDER**

Accordingly, the Department is AFFIRMED and entitled to pursue debt collection in the amount of \$618.

The Department is ORDERED to initiate collection procedures for a \$618 OI in accordance with Department policy.



**Lynn M. Ferris**  
Administrative Law Judge  
For Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **6/5/2015**

Date Mailed: **6/5/2015**

LMF / cl

**NOTICE OF APPEAL:** The law provides that within 30 days of receipt of the above Hearing Decision, the Respondent may appeal it to the circuit court for the county in which he/she lives or the circuit court in Ingham County. A copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

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.

