

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

IN THE MATTER OF:



Reg. No.: 15-004489
Issue No.: 3006, 3006
Case No.: [REDACTED]
Hearing Date: June 11, 2015
County: CALHOUN (DISTRICT 21)

ADMINISTRATIVE LAW JUDGE: Gary Heisler

HEARING DECISION

Upon a hearing request by the Department of Health and Human Services (Department) to establish an over-issuance (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 accordance 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. After due notice, a telephone hearing was held on June 11, 2015, from Lansing, Michigan. Participants on behalf of the Department included RS [REDACTED]. 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 Human Services Bridges Administrative Manual (BAM) 725.

ISSUE

Did Respondent receive a \$ [REDACTED], Client Error over-issuance of Simplified Reporting Food Assistance Program benefits from November 1, 2013 to June 30, 2014?

Did Respondent receive a \$ [REDACTED], Client Error over-issuance of Simplified Reporting Food Assistance Program benefits from October 1, 2014 to November 30, 2014?

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 Simplified Reporting Food Assistance Program recipient for the certification periods of August 1, 2013 to July 31, 2014 and August 1, 2014 to July 31, 2015.
2. On March 9, 2015, Respondent was sent a Notice of Over-Issuance (DHS-4358) for the November 1, 2013 to June 30, 2014 period and the October 1, 2014 to November 30, 2014 period.

3. On March 23, 2015, Respondent submitted a hearing request for both over-issuance periods.
4. On March 30, 2015, the Department requested this Debt Establishment hearing on behalf of Respondent.

CONCLUSIONS OF LAW

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

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 to .3011.

Bridges Administration Manual (BAM) 725 Collection Actions states that when the client group or CDC provider receives more benefits than entitled to receive, DHS must attempt to recoup the over-issuance. Additionally, anyone who was an eligible, disqualified, or other adult in the program group at the time the over-issuance occurred is responsible for repayment of the over-issuance.

DHS requests a debt collection hearing when the grantee of an inactive program requests a hearing after receiving the DHS-4358B, Agency and Client Error Information and Repayment Agreement. Active recipients are afforded their hearing rights automatically, but DHS must request hearings when the program is inactive.

The Department presented a Notice of Case Action (DHS-1605) dated August 14, 2013, which described their reporting requirements under the Food Assistance Program Simplified Reporting category. The Department also submitted evidence showing that Respondent was notified of their reporting requirements under the Food Assistance Program Simplified Reporting category for the certification period beginning August 1, 2014. The Department also submitted an Assistance Application (DHS-1171) dated September 8, 2010 and a Redetermination (DHS-1010) dated June 11, 2013 that Respondent submitted to the Department prior to the alleged OI period. These documents are sufficient to establish that Respondent had knowledge of their reporting requirements as well as the conditions that constitute fraud/IPV and trafficking and the potential consequences.

In this case the Department is presenting evidence in support of two separate Client Error over-issuances of Simplified Reporting Food Assistance Program benefits. Two separate analyses are presented.

November 1, 2013 to June 30, 2014

Over-issuance Period

Bridges Administration Manual (BAM) 715 Client/CDC Provider Error Over-Issuance (7/1/2014) under over-issuance period, at page 5 states:

Simplified Reporting

FAP

Bridges determines the first month of the overissuance as two months after the actual monthly income exceeded the simplified reporting (SR) limit. This accounts for the 10 days to report by the client, the 10 days for the specialist to act on the change and the 12-day negative action period; see BAM 200.

Example: The group's income for April exceeded the SR limit. The group should have reported this by May 10, but did not. June is the first month of the overissuance.

If the income falls below the income limit any time during these two months **and** does not exceed the income limit again during the certification period, recoupment is not necessary. If it does exceed the income limit **again** during the certification period and the client does not report, all months that exceeded the limit after the first two months would be recouped.

Example: Bert started a job and called his specialist to report the hours and wages. Bert is put in SR in February and was sent a letter stating his income limit. After a week he gets an increase in hours which puts him over the limit. He does not report. In April the hours were reduced putting him under the income limit. In May Bert is promoted and goes over the income limit and again does not report. The last week of June he is demoted. Bert's overissuance period would be May and June.

Respondent's certification period was August 1, 2013 to July 31, 2014. The Department submitted evidence which shows that Respondent's spouse's earned income alone, for the month of August 2013, exceeded the group's Simplified Reporting income limit. The evidence shows that the group did not exceed the reporting limit during September or October 2013. However, the group did exceed the reporting limit in November 2013, April 2014, May 2014, and June 2014. Applying the policy cited above, Respondent's group received an over-issuance of Food Assistance Program benefits in those four months. November 1, 2013 to June 30, 2014 is the proper over-issuance period for this Client Error over-issuance.

Over-issuance Amount

BAM 705 Agency Error Over-Issuances and BAM 715 Client/CDC Provider Error Over-Issuances, states the over-issuance amount is the benefit amount the group actually

received minus the amount the group was eligible to receive. The Department presented a benefit summary showing that the State of Michigan issued a total of \$█ in Food Assistance Program benefits to Respondent in the months of November 2013, April 2014, May 2014, and June 2014. Because Respondent's benefit group exceeded the gross income limit for Food Assistance Program during those months, the group was not eligible for any Food Assistance Program benefits during those months. Respondent received a \$█ Client Error over-issuance of Simplified Reporting Food Assistance Program benefits from November 1, 2013 to June 30, 2014.

October 1, 2014 to November 30, 2014

Over-issuance Period

Bridges Administration Manual (BAM) 715 Client/CDC Provider Error Over-Issuance (7/1/2014) under over-issuance period, at page 5 states:

Simplified Reporting

FAP

Bridges determines the first month of the overissuance as two months after the actual monthly income exceeded the simplified reporting (SR) limit. This accounts for the 10 days to report by the client, the 10 days for the specialist to act on the change and the 12-day negative action period; see BAM 200.

Example: The group's income for April exceeded the SR limit. The group should have reported this by May 10, but did not. June is the first month of the overissuance.

If the income falls below the income limit any time during these two months **and** does not exceed the income limit again during the certification period, recoupment is not necessary. If it does exceed the income limit **again** during the certification period and the client does not report, all months that exceeded the limit after the first two months would be recouped.

Example: Bert started a job and called his specialist to report the hours and wages. Bert is put in SR in February and was sent a letter stating his income limit. After a week he gets an increase in hours which puts him over the limit. He does not report. In April the hours were reduced putting him under the income limit. In May Bert is promoted and goes over the income limit and again does not report. The last week of June he is demoted. Bert's overissuance period would be May and June.

Respondent's certification period was August 1, 2014 to July 31, 2015. The Department submitted evidence which shows that the earned income of Respondent's group exceeded the group's Simplified Reporting income limit for August, September, October and November 2014. Applying the policy cited above, Respondent's group received an

over-issuance of Food Assistance Program benefits October and November 2014. October 1, 2014 to November 30, 2014 is the proper over-issuance period for this Client Error over-issuance.

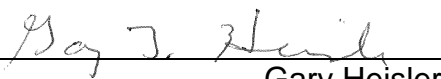
Over-issuance Amount

BAM 705 Agency Error Over-Issuances and BAM 715 Client/CDC Provider Error Over-Issuances, states the over-issuance amount is the benefit amount the group actually received minus the amount the group was eligible to receive. The Department presented a benefit summary showing that the State of Michigan issued a total of \$ [REDACTED] in Food Assistance Program benefits to Respondent in the months of October and November 2014. Because Respondent's benefit group exceeded the gross income limit for Food Assistance Program during those months, the group was not eligible for any Food Assistance Program benefits during those months. Respondent received a \$ [REDACTED] Client Error over-issuance of Simplified Reporting Food Assistance Program benefits from October 1, 2014 to November 30, 2014.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department has established that Respondent received a \$ [REDACTED], Client Error over-issuance of Simplified Reporting Food Assistance Program benefits from November 1, 2013 to June 30, 2014 and a \$ [REDACTED], Client Error over-issuance of Simplified Reporting Food Assistance Program benefits from October 1, 2014 to November 30, 2014. The Department may pursue collection of these over-issuances in accordance with Department policy.

Accordingly, the Department is UPHELD.



Gary Heisler
Administrative Law Judge
For Nick Lyon, Director
Department of Health and Human Services

Date Signed: **7/1/2015**

Date Mailed: **7/1/2015**

GFH / [REDACTED]

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.

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 48909-8139

cc:

