



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

MIKE ZIMMER
DIRECTOR

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Date Mailed: March 18, 2016
MAHS Docket No.: 15-017495
Agency No.: ██████████
Petitioner: Department of Health and
Human Services
Respondent: ██████████

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 March 7, 2016, from Detroit, Michigan. The Department was represented by ██████ ██████, Recoupment Specialist. Respondent appeared and represented himself. ██████████ appeared as a witness on Respondent's behalf

ISSUE

Did Respondent receive an over-issuance (OI) of State Disability Assistance (SDA) benefits totaling \$600 for the period June 1, 2015 to August 31, 2015?

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 SDA benefits from the Department.
2. On April 21, 2015, Respondent received a Notice of Case Action closing his SDA case effective June 1, 2015 (Exhibit A, pp. 6-7).
3. On April 27, 2015, Respondent filed a request for hearing disputing the Department's closure of his SDA case and requested that benefits continue pending the hearing (Exhibit A, p. 8).

4. In a Hearing Decision issued on July 9, 2015, the administrative law judge affirmed the Department's closure of Respondent's SDA case (Exhibit A, pp. 9-11).
5. The Department issued SDA benefits to Respondent from June 1, 2015 through August 31, 2015 (Exhibit A, p. 12).
6. On September 21, 2015, the Department sent Respondent a Notice of Overissuance notifying him that he was overissued SDA benefits during the period June 1, 2015 to August 31, 2015 due to client error and cited the Hearing Decision finding that the Department's actions were correct (Exhibit A, pp. 13-17).
7. The Department alleges that Respondent received a \$600 OI that is still due and owing to the Department (Exhibit A, p. 18).
8. On September 25, 2015, the Department received Respondent's request for hearing disputing the OI (Exhibit A, p. 4).

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 State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OI. BAM 700 (October 2015), p. 1. The amount of the OI is the benefit amount the client actually received minus the amount the client was eligible to receive. BAM 700, p. 1; BAM 715 (October 2015), p. 6.

In this case, the Department alleges that Respondent received SDA benefits he was not eligible to receive from June 1, 2015 to August 31, 2015 due to client error. A client error exists when the client's timely request for a hearing results in the suspension of Department action and a hearing decision upholds the Department's actions. BAM 715, p. 1. The Department must recoup overissuances when a hearing request is timely filed and program benefits are restored if the hearing decision upholds the Department's actions. BAM 600 (October 2015), p. 26. The overissuance is calculated from the date the negative action would have taken effect until the date the negative action is subsequently implemented. BAM 600, p. 26. Generally, if cash repayment is sought to recover such an overissuance, a request for hearing will not be granted except in FAP

cases. BAM 600, p. 26. However, in the instant case, the Department testified that it wished to proceed with the hearing to establish the debt.

At the hearing, the Department presented evidence that Respondent requested a hearing concerning the closure of his SDA case that was to be effective June 1, 2015. While he waited for the hearing to be held and a decision to be issued, the Department, at Respondent's request, continued to issue SDA benefits to Respondent. See BAM 600 (October 2015), p. 24 (requiring that the Department reinstate benefits when a client submits a timely hearing request). On July 9, 2015, the administrative law judge who heard Respondent's case issued a Hearing Decision affirming the Department's closure of Respondent's SDA case.

Because the Department's intended action to close Respondent's SDA case on June 1, 2015 was suspended and the hearing decision was in the Department's favor, affirming the Department's closure of Respondent's SDA case, Respondent was not eligible for the SDA benefits he received between June 1, 2015 and August 31, 2015 during which time the case closure was suspended. The Department established that \$600 in SDA benefits were issued during this time.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department **did** establish an SDA benefit OI to Respondent totaling \$600.

DECISION AND ORDER

Accordingly, the Department is AFFIRMED.

The Department is ORDERED to initiate collection procedures for a \$600 OI in accordance with Department policy.

ACE/tlf



Alice C. Elkin

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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

DHHS

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Respondent

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via electronic mail

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