



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: November 16, 2016
MAHS Docket No.: 16-014039
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED]

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 Petitioner, 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 October 26, 2016, from Lansing, Michigan. Participants on behalf of the Department included Recoupment Specialist [REDACTED] Respondent and her mother [REDACTED] [REDACTED] appeared and testified.

ISSUE

Did Respondent receive a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits from June 1, 2016 to August 31, 2016?

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 an ongoing recipient of Food Assistance Program benefits.
2. On February 2, 2016, Respondent submitted a Redetermination (DHS-1010). On the Redetermination (DHS-1010) Respondent reported that her husband, [REDACTED] was employed at [REDACTED].
3. On February 29, 2016, [REDACTED] changed jobs and began employment with [REDACTED].

4. On March 9, 2016, Respondent was sent a Notice of Case Action (DHHS-1605) which stated her Food Assistance Program (FAP) benefit group was approved for \$ [REDACTED] per month of Food Assistance Program (FAP) benefits under the Simplified Reporting category. The notice also provided Respondent with the specific reporting requirements of the Simplified Reporting category and her group's income limit of \$ [REDACTED] per month.
5. On April 5, 2016, Respondent submitted an online change report providing a new address.
6. On April 30, 2016, Respondent's household's gross monthly income exceeded the group's income limit of \$ [REDACTED] per month. Respondent did not report the increased income by May 10, 2016, as required by the Simplified Reporting category reporting requirements.
7. On May 31, 2016, Respondent's household's gross monthly income exceeded the group's income limit of \$ [REDACTED] per month. Respondent did not report the increased income by June 10, 2016, as required by the Simplified Reporting category reporting requirements.
8. On June 30, 2016, Respondent's household's gross monthly income exceeded the group's income limit of \$ [REDACTED] per month. Respondent did not report the increased income by July 10, 2016, as required by the Simplified Reporting category reporting requirements.
9. On July 29, 2016, Respondent submitted a Semi-Annual Contact Report (DHS-1046) for her Food Assistance Program (FAP). Respondent reported that [REDACTED] was working at [REDACTED]. Respondent did not indicate whether the household's monthly gross earned income had changed. Department Exhibit A page 18.
10. June 1, 2016 to August 31, 2016 has been properly determined as the over-issuance period caused by this Client Error.
11. Due to the Client Error of Respondent not reporting that her household's gross monthly income exceeded the group's income limit, she received a \$ [REDACTED] over-issuance of Food Assistance Program benefits during the over-issuance period.
12. On September 1, 2016, Respondent was sent a Notice of Over-Issuance (DHS-4358).
13. On September 21, 2016, Respondent submitted a hearing request.
14. On September 29, 2016, 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 (10-1-2015) 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.

DHHS 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 DHHS must request hearings when the program is inactive.

The Department submitted a March 9, 2016, Notice of Case Action (DHHS-1605) that Respondent received prior to the alleged over-issuance period. The notice stated Respondent's Food Assistance Program (FAP) benefit group, was approved for \$ [REDACTED] per month of Food Assistance Program (FAP) benefits under the Simplified Reporting category. The notice also provided Respondent with the specific reporting requirements of the Simplified Reporting category and her group's income limit of \$ [REDACTED] per month. The notice is sufficient to establish that Respondent was provided with the reporting responsibilities of receiving assistance.

During this hearing Respondent testified that she told her case worker that [REDACTED] had a different job. The March 9, 2016, Notice of Case Action (DHHS-1605) that Respondent received prior to the alleged over-issuance period gave her notice of the reporting requirements in Bridges Administration Manual (BAM) 200 Food Assistance Simplified Reporting (12-1-2013). Those requirements are:

REQUIREMENTS

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 SR income limit; see RFT 250, 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 SR, the group remains in SR throughout the current benefit period unless they report changes at their semi-annual contact or redetermination that make them ineligible for SR.

Respondent was provided with the reporting requirements and did not follow them. Respondent's error of not reporting that her household's gross monthly income exceeded the group's income limit, caused this over-issuance.

Over-issuance Period

Client/CDC Provider Error

BAM 715 Client/CDC Provider Error Over-Issuance (1-1-2016), in the Over-Issuance Period section, on page 5 provides:

Simplified Reporting

FAP

Bridges determines the first month of the over-issuance 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 over-issuance.

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.

Respondent's household's gross monthly income exceeded the group's income limit of \$ [REDACTED] per month in April, May, June, July and August of 2016. Applying the requirements above, the over-issuance period for this case is June 1, 2016 to August 31, 2016.

Over-issuance Amount

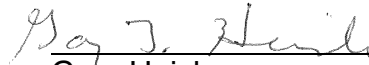
BAM 715 Client/CDC Provider Error Over-Issuances (1-1-2016), states the over-issuance amount is the benefit amount the group actually received minus the amount the group was eligible to receive. The Department presented a benefit summary showing that the State of Michigan issued a total of \$ [REDACTED] in Food Assistance Program (FAP) benefits to Respondent during the over-issuance period. The over-issuance budgets submitted by the Department were reviewed and found to be correct. The over-issuance budgets show that Respondent was only eligible for \$ [REDACTED] of Food Assistance Program (FAP) benefits during the over-issuance period. Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits.

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 did establish that Respondent received a \$ [REDACTED] Client Error over-issuance of Food Assistance Program.

DECISION AND ORDER

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

GH/nr



Gary Heisler
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]

[REDACTED]

Respondent

[REDACTED]