



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR



Date Mailed: January 13, 2017
MAHS Docket No.: 16-013783
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Gary Heisler

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

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 with Mich Admin Code, R 400.3130 and R 400.3178. After due notice, a telephone hearing was held on January 10, 2017, from Lansing, Michigan. The Department was represented by Regulation Agent [REDACTED], of the Office of Inspector General (OIG). Respondent participated in the hearing by telephone from Tennessee.

ISSUES

Did the Department establish, by clear and convincing evidence, that Respondent committed an Intentional Program Violation (IPV)?

Did Respondent receive an over-issuance (OI) of Food Assistance Program (FAP) benefits that the Department is entitled to recoup?

FINDINGS OF FACT

The Administrative Law Judge, based upon the clear and convincing evidence on the whole record, finds as material fact:

1. On June 28, 2011, Respondent signed the affidavit in the Redetermination (DHS-1010) certifying notice of reporting requirements as well as the conditions that constitute fraud/IPV and trafficking and the potential consequences.
2. Respondent had no apparent physical or mental impairment that would limit the understanding or ability to fulfill the reporting requirements.

3. On August 30, 2011, Respondent began using Michigan Food Assistance Program (FAP) benefits in Alabama. Respondent continued to use Michigan Food Assistance Program (FAP) benefits outside Michigan until April 11, 2012.
4. On October 31, 2011, Respondent registered to vote in Alabama.
5. Respondent committed an Intentional Program Violation (IPV) by intentionally failing to report a change of physical residence to Alabama. Respondent continued to receive Michigan Food Assistance Program (FAP) benefits, Michigan Family Independence Program (FIP) benefits and Michigan Medical Assistance (MA) benefits when no longer a physical resident of Michigan and no longer eligible for benefits through Michigan.
6. In accordance with Bridges Administration Manual (BAM) 720 October 1, 2011 to April 30, 2012 has correctly been determined as the over-issuance period associated with this Intentional Program Violation (IPV).
7. During the over-issuance period, Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits, a \$ [REDACTED] over-issuance of Family Independence Program (FIP) benefits and a \$ [REDACTED] over-issuance of Medical Assistance (MA) benefits.
8. This is Respondent's 1st Intentional Program Violation (IPV).

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.

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 .3015.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the

collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10 and MCL 400.105-.112k.

Bridges Administration Manual (BAM) 720 Intentional Program Violation (10-1-2015) governs the Department's actions in this case. OIG requests IPV hearing for cases involving:

1. FAP trafficking over-issuances that are not forwarded to the prosecutor.
2. Prosecution of welfare fraud or FAP trafficking is declined by the prosecutor for a reason other than lack of evidence, **and**

The total amount for the FIP, SDA, CDC, MA and FAP programs combined is \$500 or more, **or**

The total amount is less than \$500, **and**

The group has a previous IPV, **or**

The alleged IPV involves FAP trafficking, **or**

The alleged fraud involves concurrent receipt of assistance (see BEM 222), **or**

The alleged fraud is committed by a state/government employee.

INTENTIONAL PROGRAM VIOLATION

BAM 720 states that a suspected IPV means an OI exists for which all three of the following conditions exist:

The client intentionally failed to report information **or** intentionally gave incomplete or inaccurate information needed to make a correct benefit determination, and

The client was clearly and correctly instructed regarding his or her reporting responsibilities, and

The client has no apparent physical or mental impairment that limits his or her understanding or ability to fulfill reporting responsibilities.

An IPV requires that the Department establish by clear and convincing evidence that the client has intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility. In other words, the Department must show that the Respondent engaged in a

fraudulent act or omission which they knew would result in receiving assistance s/he was not eligible for.

In this case, the Department presented a Redetermination (DHS-1010) that Respondent submitted to the Department prior to the alleged over-issuance period. This application is sufficient to establish that Respondent was aware of reporting requirements as well as the conditions that constitute fraud/IPV and trafficking and the potential consequences.

During this hearing, Respondent testified that she: left Michigan due to domestic violence; told her DHS case worker about leaving the state and the worker said it was OK; did not know she was going to stay in Alabama until after she had been there a while; she called DHS and left several messages telling them she was going to stay in Alabama; finally had to call her worker's supervisor to get her Michigan case closed; and that she did not register to vote in Alabama.

It is noted that Regulation Agent Christian recorded information received from Respondent in the Investigation Report. That information was that Respondent did not know she was going to stay in Alabama until about April 2012 and she then called her worker and asked for her Michigan cases to be closed.

The Department submitted evidence showing that Respondent was using Michigan Food Assistance Program benefits outside Michigan beginning August 30, 2011. Based on the totality of credible evidence in this record, it is found that Respondent did not report leaving the State of Michigan.

Respondent committed an Intentional Program Violation (IPV) by intentionally failing to report a change of physical residence to Alabama and continuing to receive and use Michigan Food Assistance Program (FAP) and Family Independence Program (FIP) benefits when no longer a physical resident of Michigan and no longer eligible for benefits through Michigan.

OVER-ISSUANCE

Over-issuance Period

BAM 720 states that the over-issuance period begins the first month (or pay period for CDC) benefit issuance exceeds the amount allowed by policy **or** 72 months (6 years) before the date it was referred to the RS, whichever is later.

To determine the first month of the over-issuance period (for over-issuances 11/97 or later) Bridges allows time for:

The client reporting period, per BAM 105.

The full standard of promptness (SOP) for change processing, per BAM 220.

The full negative action suspense period.

The over-issuance period ends the month (or pay period for CDC) before the benefit is corrected.

In this case, the Department submitted evidence showing that Respondent began using Michigan Food Assistance Program benefits outside Michigan on August 30, 2011. Applying these requirements, the over-issuance period began October 1, 2011.

Over-issuance Amount

BAM 720 states the over-issuance amount is the benefit amount the client actually received minus the amount the client was actually 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, \$ [REDACTED] in Family Independence Program (FIP) benefits and \$ [REDACTED] in Medical Assistance (MA) benefits to Respondent during the over-issuance period. Once Respondent was no longer a physical resident of Michigan, they were not eligible for any Michigan Food Assistance Program benefits. Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits, a \$ [REDACTED] over-issuance of Family Independence Program (FIP) benefits and a \$ [REDACTED] over-issuance of Medical Assistance (MA) benefits during the over-issuance period.

DISQUALIFICATION

In accordance with 7 CFR §273.16(e)(8)(i), BAM 720 states that a court or hearing decision that finds a client committed an IPV disqualifies that client from receiving program benefits. A disqualified recipient remains a member of an active group as long as he lives with them, and other eligible group members may continue to receive benefits.

Clients who commit an IPV are disqualified for a standard disqualification period of one year for the first IPV, two years for the second IPV, and a lifetime disqualification for the third IPV.

DECISION AND ORDER

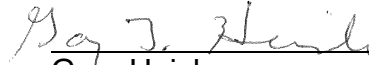
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department has established by clear and convincing evidence that Respondent committed an Intentional Program Violation (IPV) which resulted in a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits, a \$ [REDACTED] over-issuance of Family Independence Program (FIP) benefits and a \$ [REDACTED] over-issuance of Medical Assistance (MA) benefits that the Department is entitled to recoup in accordance with Department policies in BAM 705, BAM 710, BAM 720, and BAM 725.

This is Respondent's 1st Intentional Program Violation (IPV) of the Food Assistance Program (FAP) and Family Independence Program (FIP). The Department must disqualify Respondent from receiving Food Assistance Program (FAP) and Family

Independence Program (FIP) benefits in accordance Bridges Administration Manual (BAM) 720. There is no disqualification period for Medical Assistance (MA) benefits.

It is ORDERED that the actions of the Department of Health and Human Services, in this matter, are 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]

Petitioner

[REDACTED]

Respondent

[REDACTED]