



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: May 4, 2017
MAHS Docket No.: 17-004267
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 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, telephone hearing was held on April 27, 2017, from Lansing, Michigan. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED] Recoupment Specialist. Petitioner represented herself.

ISSUE

Did the Department properly determine that the Petitioner received an overissuance of Food Assistance Program (FAP) benefits?

FINDINGS OF FACT

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

1. The Department received Petitioner's application for Food Assistance Program (FAP) benefits dated October 8, 2014, where she acknowledged her duties and responsibilities including her duty to report any changes of circumstances that could affect her eligibility to receive benefits. Exhibit A, pp 28-47.
2. On February 20, 2015, the Department received Petitioner's completed Semi-Annual Contact Report (DHS-1046) where she reported having no change in the monthly income. Exhibit A, pp 26-27.
3. Petitioner was an ongoing Food Assistance Program (FAP) recipient from April 1, 2015, through July 31, 2015. Exhibit A, p 6.

4. Petitioner was approved for Food Assistance Program (FAP) benefits as a group of one receiving a gross monthly income of \$0 as of April 1, 2015. Exhibit A, pp 22-25.
5. Petitioner was employed and received earned income from January 2, 2015, through July 31, 2015. Exhibit A, pp 16-21.
6. Received 776, eligible for 64, 712 overissuance 712, Page 7-15.
7. On January 12, 2017, the Department sent Petitioner a Notice of Overissuance (DHS-4358-A) notifying her of its intent to recoup a \$ [REDACTED] overissuance of Food Assistance Program (FAP) benefits caused by client error. Exhibit A, pp 1-5.
8. On March 20, 2017, the Department received Petitioner's request for a hearing protesting the Department's attempts to recoup the overissuance of Food Assistance Program (FAP) benefits.

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), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

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-.3011.

When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overissuance. An agency error is caused by incorrect action (including delayed or no action) by Department staff or Department processes. A client error occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to the department. Client and agency errors are not pursued if the estimated amount is less than \$ [REDACTED] per program. Department of Health and Human Services Bridges Administrative Manual (BAM) 700 (May 1, 2014), pp 1-9.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount within 10 days of receiving the first payment reflecting the change. Changes that must be reported include employment and earned income. Department of Human Services Bridges Assistance Manual (BAM) 105 (October 1, 2016), pp 1-20.

Overissuance balances on inactive cases must be repaid by lump-sum or monthly cash payments unless collection is suspended. Department of Health and Human Services Bridges Administrative Manual (BAM) 725 (July 1, 2014), p 8.

On October 8, 2014, Petitioner acknowledged her duties and responsibilities including her duty to report any change of circumstances affecting her eligibility to receive FAP benefits. On February 20, 2015, the Department received Petitioner's completed Semi-Annual Contact Report (DHS-1046) where she reported no change in her monthly income, which was listed as \$0. Petitioner was an ongoing FAP recipient as a group of one and was receiving the maximum grant of FAP benefits based on a gross monthly income of \$0. Petitioner received FAP benefits totaling \$ [REDACTED] from April 1, 2015, through July 31, 2015. This information was incorrect since Petitioner was employed and received a variable amount of earned income from January 2, 2015, through July 31, 2015. If the Department had considered Petitioner's gross monthly earnings in each month from April 1, 2015, through July 31, 2015, she would have been eligible for FAP benefits totaling \$ [REDACTED]. Therefore, Petitioner received a \$ [REDACTED] overissuance of FAP benefits.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department has established a Food Assistance Program (FAP) benefit overissuance to Petitioner totaling \$ [REDACTED].

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

The Department is ORDERED to initiate collection procedures for a \$ [REDACTED] overissuance in accordance with Department policy.

KS/nr



Kevin Scully
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]

Petitioner

[REDACTED]