



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: May 31, 2017  
MAHS Docket No.: 17-005114  
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 May 25, 2017, from Lansing, Michigan. Participants on behalf of the Department of Health and Human Services (Department) included Assistant Attorney General [REDACTED] Assistant Attorney General [REDACTED] and [REDACTED] Recoupment Specialist. Petitioner appeared for the hearing and was represented by her attorney [REDACTED]

### **ISSUE**

Did the Department properly determine that the Petitioner received an overissuance of Family Independence Program (FIP) 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. Petitioner received Family Independence Program (FIP) benefits totaling [REDACTED] from January 1, 2016, through March 31, 2016.
2. Petitioner does not dispute that she was not eligible for Family Independence Program (FIP) benefits from January 1, 2016, through March 31, 2016.
3. On March 20, 2017, the Department sent Petitioner a Notice of Overissuance (DHS-4358-A).
4. On March 27, 2017, the Department received Petitioner's request for a hearing.

### **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 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-.3131.

All rights to current and future court-ordered child support paid for a period of time a child receives FIP must be assigned to the state as a condition of FIP eligibility. Assignment is the agreement of the head of household and parent to give to the state all rights to current and future court-ordered child support paid on behalf of a FIP recipient for the same time period. Assignment occurs when the individual completes and signs a DHS-1171, Assistance Application. Department of Health and Human Services Bridges Eligibility Manual (BEM) 255 (January 1, 2017), pp 2-16.

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.

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.

Petitioner received FIP benefits totaling \$ [REDACTED] from January 1, 2016, through March 31, 2016. Petitioner does not dispute that she was not eligible for these benefits and that she received an overissuance of FIP benefits. On March 20, 2017, the Department sent Petitioner a Notice of Overissuance. This form put Petitioner on notice that the Department intended to recoup \$ [REDACTED] of FIP benefits that she was not eligible to receive. On May 25, 2017, the Department withdrew its claim to FIP benefits issued after March 31, 2016. This reduced the overissuance to \$ [REDACTED]

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department did establish a Family Independence Program (FIP) 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]

**Counsel for Respondent**

[REDACTED]

**Counsel for Petitioner**

[REDACTED]

**Petitioner**

[REDACTED]