



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: June 6, 2017

MAHS Docket No.: [REDACTED]

Agency No.: 100369213

Petitioner: OIG

Respondent: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Gary Heisler

REHEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to: MCL 400.9, 400.43a, and 24.201, *et seq.*; Mich Admin Code, R 400.941; 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; and pursuant to the March 23, 2017, order for a *de novo* rehearing from Supervising Administrative Law Judge Lauren G. Van Steel. After due notice, a telephone rehearing was held on April 27, 2017, from Lansing, Michigan. Participants on behalf of the Department included Recoupment Specialist [REDACTED]. Respondent did not appear for the rehearing.

ISSUE

Did Respondent receive a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits from November 1, 2010 to December 31, 2010?

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 was an ongoing recipient of Food Assistance Program (FAP) benefits under the Simplified Reporting category. In accordance with Bridges Administration Manual (BAM) 200 Food Assistance Simplified Reporting (5-1-2010), Petitioner was given notice of his reporting requirements. Petitioner's Food Assistance Program (FAP) was due for annual redetermination by December 31, 2010.
2. On June 1, 2010, Petitioner submitted a Semi-Annual Contact Report (DHS-1046). On the report Petitioner indicated that both he and his spouse were receiving earned income.

3. For September 2010, Petitioner's household exceeded their Simplified Reporting income limit of \$ [REDACTED]. Petitioner was required to report that his household exceeded the income limit by October 10, 2010. Petitioner did not report that he exceeded the Simplified Reporting income limit.
4. For October 2010, Petitioner's household exceeded their Simplified Reporting income limit of \$ [REDACTED]. Petitioner was required to report that his household exceeded the income limit by November 10, 2010. Petitioner did not report that he exceeded the Simplified Reporting income limit.
5. November 16, 2010, Petitioner was sent a Redetermination (DHS-1010) form for his Food Assistance Program (FAP).
6. On November 29, 2010, Petitioner submitted the Redetermination (DHS-1010) for his Food Assistance Program (FAP).
7. For November 2010, Petitioner's household exceeded their Simplified Reporting income limit of \$ [REDACTED].
8. For December 2010, Petitioner's household exceeded their Simplified Reporting income limit of \$ [REDACTED].
9. In accordance with Bridges Administration Manual (BAM) 715 Client/CDC Provider Error Over-Issuance (5-1-2010) November 1, 2010 to December 31, 2010 has been correctly identified as the over-issuance period associated with this Client Error over-issuance.
10. During the over-issuance period, Petitioner received a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits.
11. On November 10, 2016, Petitioner was sent a Notice of Over-Issuance Packet.
12. On November 21, 2016, Petitioner submitted a hearing request.
13. On November 28, 2016, the Department requested this Debt Establishment hearing on behalf of Petitioner.

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) 200 Food Assistance Simplified Reporting (5-1-2010) provided in relevant part:

DEPARTMENT POLICY

Food assistance groups with countable earnings, as currently defined in the BEM 500 series, are assigned to the simplified reporting (SR) category. This reporting option increases FAP participation by employed households and provides workload relief.

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, 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.

DETERMINING THE INCOME LIMIT

The income limit is 130% of the poverty level based on group size. To determine the group's SR income limit, all eligible members of the FAP group are counted. See RFT 250.

NOTIFICATION

Bridges sends information about simplified reporting including the DHS-1045, Simplified Six Month Review, to groups assigned to the SR category at the following times:

- Application.
- Redetermination.
- When assigned to the SR category as an ongoing case.

Bridges sends the simplified reporting information which explains the reporting requirement and provides the gross monthly income reporting

requirements for the group based on their circumstances at the time of issuance. The DHS-1605, Notice of Case Action, includes the specific income limit for the group based on the group size. Additionally, it advises what the group's income limit is each time a budget and notice are run for groups with earned income.

Bridges Administration Manual (BAM) 715 Client/CDC Provider Error Over-Issuance (5-1-2010) provides in relevant part:

OVERISSUANCE PERIOD

Simplified Reporting

FAP Only

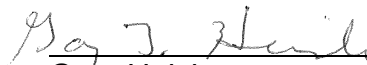
Bridges determines the first month of the over-issuance as two months after the actual monthly income exceeded the simplified reporting (SR) limit. This accounts for the 10 days to report by the client, the 10 days for the specialist to act on the change and the 12 day negative action period. See BAM 200.

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 Petitioner 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]

Respondent

[REDACTED]