



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 30, 2017
MAHS Docket No.: 17-005994
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Gary Heisler

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on June 15, 2017, from Lansing, Michigan. Petitioner was represented by herself. The Department was represented by Recoupment Specialist [REDACTED] [REDACTED]

ISSUE

Did Petitioner receive a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits between April 1, 2016 and December 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. On January 14, 2016, Petitioner submitted an Assistance Application (DHS-1171) for Food Assistance Program (FAP) benefits.
2. On January 19, 2016, Petitioner was sent a Notice of Case Action (DHS-1605) which stated Petitioner and her Food Assistance Program (FAP) benefit group of 4, were eligible for \$ [REDACTED] per month of Food Assistance Program (FAP) benefits. The notice also described the reporting requirements under the Food Assistance Program Simplified Reporting category and the benefit group's gross monthly income limit of \$ [REDACTED]
3. For February 2016 Petitioner's household exceeded their Simplified Reporting income limit of \$ [REDACTED] Respondent was required to report that her household

exceeded the income limit by March 10, 2016. Respondent did not report exceeding the Simplified Reporting income limit.

4. For March 2016 Petitioner's household exceeded their Simplified Reporting income limit of \$ [REDACTED]. Respondent was required to report that her household exceeded the income limit by April 10, 2016. Respondent did not report exceeding the Simplified Reporting income limit.
5. For April 2016 Petitioner's household exceeded their Simplified Reporting income limit of \$ [REDACTED]. Respondent was required to report that her household exceeded the income limit by May 10, 2016. Respondent did not report exceeding the Simplified Reporting income limit.
6. In accordance with Bridges Administration Manual (BAM) 720 and Bridges Administration Manual (BAM) 200 Food Assistance Simplified Reporting, April 1, 2016 and December 31, 2016 has correctly been determined as the over-issuance period associated with this Client Error over-issuance.
7. During the over-issuance period, Petitioner received a \$ [REDACTED] over-issuance of Food Assistance Program benefits.
8. On April 27, 2017, Petitioner was sent a Notice of Over-Issuance (DHS-4358-A).
9. On May 4, 2016, Petitioner submitted a hearing request.

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 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 an Assistance Application (DHS-1171) that Petitioner signed and submitted to the Department prior to the alleged over-issuance period. This application is sufficient to establish that Petitioner was provided the recoupment responsibilities of receiving assistance.

The Department also submitted a Notice of Case Action (DHS-1605) which was sent to Petitioner. This is sufficient to show that Petitioner was provided notice of the reporting requirements for Food Assistance Program (FAP) Simplified Reporting and the income limit for her benefit group.

During this hearing Petitioner testified that she reported when she was told to.

Client/CDC Provider Error

BAM 715 Client/CDC Provider Error Over-Issuances 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.

Applying this over-issuance period definition to the facts of this case, the over-issuance period began April 1, 2017.

Over-issuance Amount

BAM 705 Agency Error Over-Issuances and BAM 715 Client/CDC Provider Error Over-Issuances, 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 Petitioner 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 Petitioner was

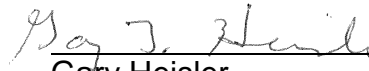
not eligible for any Food Assistance Program (FAP) benefits during the over-issuance period. Petitioner received a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits.

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 Petitioner received a \$ [REDACTED] Client Error over-issuance of Food Assistance Program.

DECISION AND ORDER

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

GH/



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]