



Date Mailed: March 19, 2025

Docket No.: 25-007637

Case No.: [REDACTED]

Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

HEARING DECISION

On [REDACTED] 2025, Petitioner [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP) benefit overpayment. As a result, a hearing was scheduled to be held on March 13, 2025. Public assistance hearings are held pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. Respondent Michigan Department of Health and Human Services (Department) had Overpayment Establishment Analyst Alison Peck appear as its representative. Neither party had any additional witnesses.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 49-page packet of documents provided by the Department was admitted collectively as Exhibit A.

ISSUE

Did the Department properly determine that Petitioner owes the Department a debt of \$1,384.00 for Food Assistance Program (FAP) benefits that were overpaid to her for the months of December 2024 through February 2025?

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 is disabled.
2. On May 6, 2024, the Department mailed a notice of case action to Petitioner to notify her that she was approved for FAP benefits. The notice informed Petitioner that she was approved for a FAP benefit amount of \$535.00 per month based on the following:
 - a. Group size of two consisting of Petitioner and [REDACTED]
 - b. [REDACTED] earned income per month.
 - c. [REDACTED] unearned income per month.
 - d. \$100.00 housing cost per month.
 - e. \$198.00 standard deduction per month.
 - f. \$680.00 heat/utility standard per month.
3. The [REDACTED] in unearned income that the Department budgeted was a Family Independence Program (FIP) cash assistance benefit that Petitioner was receiving from the Department. Petitioner received her last FIP cash assistance benefit in July 2024.
4. On October 21, 2024, Petitioner notified the Department that she was going to begin receiving Social Security RSDI benefits for herself her child, [REDACTED]. Petitioner also notified the Department that her housing cost increased to \$290.00, effective September 2024.
5. The Department did not properly process the information it received about Petitioner's change in household income, and the Department did not properly process the information it received about Petitioner's change in housing cost.
6. The Department issued FAP benefits to Petitioner without considering the Social Security RSDI benefits that Petitioner was receiving.
7. Petitioner received the following gross Social Security RSDI benefits:
 - a. [REDACTED] for Petitioner in October 2024.
 - b. [REDACTED] for Petitioner and [REDACTED] in November 2024.

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- c. [REDACTED] for Petitioner and [REDACTED] in December 2024.
 - d. [REDACTED] for Petitioner and [REDACTED] in January 2025.
 - e. [REDACTED] for Petitioner and [REDACTED] in February 2025.
8. The Department issued the following FAP benefits to Petitioner:
 - a. \$536.00 for December 2024.
 - b. \$536.00 for January 2025.
 - c. \$536.00 for February 2025.
 9. On or about January 21, 2025, the Department discovered that it erroneously issued FAP benefits to Petitioner without considering the Social Security RSDI benefits that Petitioner was receiving, so the Department reviewed Petitioner's case for a possible overpayment.
 10. The Department redetermined Petitioner's eligibility for FAP benefits for each month from December 2024 through February 2025, and the Department determined that Petitioner was eligible to receive the following FAP benefits:
 - a. \$86.00 for December 2024.
 - b. \$69.00 for January 2025.
 - c. \$69.00 for February 2025.
 11. The Department determined that it overpaid Petitioner due to the Department's error.
 12. The Department determined that it overpaid Petitioner \$1,384.00 in FAP benefits because it issued her a total of \$1,608.00 for the months of December 2024 through February 2025 when she was only eligible to receive a total of \$224.00.
 13. On February 12, 2025, the Department mailed Petitioner a notice of overissuance to notify her that she was overpaid \$1,384.00 in FAP benefits for the months of January 2024 through February 2025.
 14. Petitioner requested a hearing to dispute the overpayment.

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) 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Department determined that it overpaid Petitioner \$1,384.00 in FAP benefits for the months of December 2024 through February 2025. When a client receives more benefits than she was entitled to receive, the Department must attempt to recoup the overpayment. BAM 700 (June 1, 2024), p. 1. The overpayment amount is the amount of benefits in excess of the amount the client was eligible to receive. *Id.* at 2.

The Department determined that it overpaid FAP benefits to Petitioner because the Department did not properly process the information it received about the Social Security RSDI benefits that Petitioner was receiving. The Department acknowledged that the overpayment was due to the Department's error. The Department properly determined that the first month that was affected by the Department's error was December 2024 because the Department first learned about Petitioner's Social Security RSDI benefits on October 21, 2024, and the first month that Department would have been able to decrease Petitioner's FAP benefit amount would have been December 2024.

In December 2024, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross Social Security benefits that Petitioner received in December 2024. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). The gross income limit did not apply to Petitioner because Petitioner's household contained a senior or disabled member. 7 CFR 273.10(e)(2). Petitioner's net household income was [REDACTED]. This was determined based on a \$204.00 standard deduction, a \$165.00 standard medical deduction, a \$290.00 housing cost, and a \$664.00 heat/utility standard. 7 CFR 273.10(e)(1)(i)(A). The net income limit was \$1,704.00 for a group size of two. RFT 250 (October 1, 2024). Petitioner's net household income did not exceed the applicable limit. Based on Petitioner's net household income of [REDACTED] and her group size of two, Petitioner was eligible for a maximum FAP benefit of \$143.00. RFT 260 (October 1, 2024). The Department issued Petitioner \$536.00 in FAP benefits for the month, so the Department overpaid Petitioner \$393.00. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner \$450.00.

In January 2025, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross Social Security benefits that Petitioner received in January 2025. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). The gross income limit did not apply to Petitioner because Petitioner's household contained a senior or disabled member. 7 CFR 273.10(e)(2). Petitioner's net household income was [REDACTED]. This was determined based on a \$204.00 standard deduction, a \$165.00 standard medical deduction, a \$290.00 housing cost, and a \$664.00 heat/utility standard. 7 CFR 273.10(e)(1)(i)(A). The net income limit was \$1,704.00 for a group size of two. RFT 250 (October 1, 2024). Petitioner's net household income did not exceed the

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applicable limit. Based on Petitioner's net household income of [REDACTED] and her group size of two, Petitioner was eligible for a maximum FAP benefit of \$122.00. RFT 260 (October 1, 2024). The Department issued Petitioner \$536.00 in FAP benefits for the month, so the Department overpaid Petitioner \$414.00. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner \$467.00.

In February 2025, Petitioner's gross household income was [REDACTED]. This was determined based on the [REDACTED] in gross Social Security benefits that Petitioner received in February 2025. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). The gross income limit did not apply to Petitioner because Petitioner's household contained a senior or disabled member. 7 CFR 273.10(e)(2). Petitioner's net household income was [REDACTED]. This was determined based on a \$204.00 standard deduction, a \$165.00 standard medical deduction, a \$290.00 housing cost, and a \$664.00 heat/utility standard. 7 CFR 273.10(e)(1)(i)(A). The net income limit was \$1,704.00 for a group size of two. RFT 250 (October 1, 2024). Petitioner's net household income did not exceed the applicable limit. Based on Petitioner's net household income of [REDACTED] and her group size of two, Petitioner was eligible for a maximum FAP benefit of \$122.00. RFT 260 (October 1, 2024). The Department issued Petitioner \$536.00 in FAP benefits for the month, so the Department overpaid Petitioner \$414.00. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner \$467.00.

The Department properly determined that it overpaid FAP benefits to Petitioner for the months of December 2024 through February 2025. However, the Department did not properly determine the overpayment amount. The Department overpaid Petitioner \$393.00 for December 2024, \$414.00 for January 2025, and \$414.00 for February 2025. Thus, the Department overpaid Petitioner a total of \$1,221.00 for the months of December 2024 through February 2025. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner \$1,384.00.

Although this overpayment was caused by the Department's error, the Department was still required to pursue Petitioner for the overpayment. A FAP overpayment that results from the Department's error must be pursued by the Department when the amount is greater than or equal to \$250.00. BAM 700 at 5 and BAM 705 (June 1, 2024), p. 1. The amount of the overpayment was greater than or equal to \$250.00. Thus, although Petitioner received an overpayment due to the Department's error, the Department acted in accordance with its policies when it pursued the overpayment.

DECISION AND ORDER

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 acted in accordance with its policies and the applicable law when it determined that it overpaid Petitioner FAP benefits, but the Department did not act in accordance with its policies and the applicable law when it determined the overpayment amount.

IT IS ORDERED that the Department's decision is **AFFIRMED IN PART and REVERSED IN PART**. The Department's decision that it overpaid Petitioner FAP benefits is affirmed, but the Department's overpayment amount is reversed. The Department must pursue the overpayment amount of \$1,221.00 consistent with this decision. The Department must begin to implement this order within 10 days of the mailing date of this hearing decision.



JEFFREY KEMM
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail:

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