



Date Mailed: April 11, 2025

Docket No.: 25-010788

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 March 14, 2025, Petitioner [REDACTED] [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP) overpayment determination. As a result, a hearing was scheduled to be held on April 9, 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 himself. Respondent Michigan Department of Health and Human Services (Department) had Overpayment Establishment Analyst Dawn McKay appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 56-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 \$[REDACTED] for FAP benefits that were overpaid to Petitioner for the months of May 2023 through August 2023?

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 October █ 2022, the Department mailed a notice of case action to Petitioner to notify Petitioner that he was approved for FAP benefits. The notice informed Petitioner that he was approved to receive a FAP benefit of \$█ per month for a group size of one. The Department determined Petitioner's FAP benefit amount based on \$0.00 income, an \$█ housing cost, and a heating/cooling standard. The notice instructed Petitioner to monitor his household income each month and notify the Department within 10 days if his household income exceeded \$1,473.00 in a month.
2. In March 2023, Petitioner began receiving a gross monthly Social Security RSDI benefit of \$█
3. Petitioner did not notify the Department that his household income exceeded \$█ in March 2023.
4. Petitioner assumed that the Social Security Administration notified the Department that his income changed, so Petitioner did not notify the Department.
5. On July █ 2023, Petitioner submitted a redetermination to the Department to renew his FAP eligibility. In the redetermination form, Petitioner reported his income from Social Security RSDI.
6. The Department reviewed Petitioner's case and redetermined Petitioner's eligibility for FAP benefits based on the income he received from his Social Security RSDI benefits. When the Department redetermined Petitioner's eligibility, the Department budgeted unearned income of \$█ per month, a housing cost of \$█ per month, and a heating/cooling standard. The Department determined that Petitioner was eligible for a FAP benefit of \$█ per month for the months of May 2023 through August 2023.
7. The Department issued Petitioner a FAP benefit of \$█ per month for the months of May 2023 through August 2023, and the Department determined that Petitioner was only eligible to receive a FAP benefit of \$█ per month for the months of May 2023 through August 2023, so the Department determined that it overpaid Petitioner a total of \$█ in FAP benefits for the months of May 2023 through August 2023.
8. The Department determined that it overpaid FAP benefits to Petitioner because Petitioner did not notify the Department when his household income exceeded the limit in March 2023. The Department considered this a client error.

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9. On February 28, 2025, the Department mailed a notice of overissuance to Petitioner to notify him that the Department overpaid him \$[REDACTED] in FAP benefits for the months of May 2023 through August 2023.
 10. 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 FAP benefits to Petitioner. When a client receives more benefits than the client 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 Petitioner did not notify the Department when his household income exceeded the \$1,473.00 limit in March 2023. Based on the evidence presented, Petitioner's household income was \$[REDACTED] in March 2023, so Petitioner's household income exceeded the limit, and Petitioner was required to notify the Department. Petitioner did not notify the Department that his household income exceeded the limit in March 2023, so the Department continued to issue FAP benefits to Petitioner as if his household income had not changed. This resulted in the Department overpaying FAP benefits to Petitioner. The overpayment was caused by Petitioner's error because Petitioner did not notify the Department when his household income exceeded the limit.

The Department properly determined that the overpayment started with the FAP benefits that it issued to Petitioner for May 2023. For failure to report income over the simplified reporting limit, the first month of the overpayment is two months after the client's household income exceeded the simplified reporting limit. BAM 200 (October 1, 2024), pp. 6-7. If Petitioner would have notified the Department that his household income exceeded the \$1,473.00 limit in March 2023, then the Department would have reduced or closed Petitioner's FAP benefits effective May 2023. Thus, Petitioner still would have been eligible to receive the FAP benefits that were issued to him for March 2023 and April 2023.

For the months of May 2023 through August 2023, Petitioner's gross household income was \$[REDACTED]. Petitioner's household income consisted solely of Petitioner's Social Security RSDI benefit. There is a net income limit to be eligible for FAP benefits that applies to all households. 7 CFR 273.10(e)(2)(B). Net income is gross income minus allowable deductions. 7 CFR 273.10(e)(1)(i). Petitioner was eligible for a standard deduction of \$193.00. This was the only deduction that Petitioner was eligible for in accordance with policy. Petitioner's gross income of \$[REDACTED] minus his standard deduction of \$193.00 equals his net income of \$[REDACTED]. The net income limit for a household size of one was \$1,133.00 per month. RFT 250 (October 1, 2022). Petitioner's net income exceeded the net income limit to be eligible for FAP benefits, so Petitioner was not eligible to receive any FAP benefits.

The Department properly determined that it overpaid FAP benefits to Petitioner for the months of May 2023 through August 2023. However, the Department did not properly determine the overpayment amount. Petitioner was not eligible to receive any FAP benefits for the months of May 2023 through August 2023, and the Department issued Petitioner \$[REDACTED] per month, so the Department overpaid Petitioner a total of \$[REDACTED] for the months of May 2023 through August 2023. The Department did not properly determine the overpayment amount because the Department determined that it overpaid Petitioner a total of \$[REDACTED].

Petitioner asserted that he should not have to repay the overpayment because it was not caused by his error. Based on the evidence presented, the overpayment was caused by Petitioner's error. However, the overpayment amount would be the same regardless of whether it was caused by a client error or an agency error, and the Department would have been required to pursue Petitioner for repayment of the debt regardless of whether it was caused by a client error or an agency error. The overpayment amount would have been the same either way because the overpayment involved unearned income, and unearned income is treated the same for a client error and an agency error. BAM 715 (June 1, 2024), p. 6. The Department would have been required to pursue Petitioner for repayment of the debt either way because the amount involved is greater than or equal to \$250.00, and the Department is required to pursue an agency error overpayment that is greater than or equal to \$250.00. BAM 700 at 5 and BAM 705 (June 1, 2024), p. 1.

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 \$[REDACTED] consistent with this hearing 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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MOAHR

Via First Class Mail:

Petitioner

