



Date Mailed: September 25, 2025

Docket No.: 25-031273

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

This is an important legal document. Please have someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

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

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这是一份重要的法律文件。请让别人翻译文件。

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

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Case No.: [REDACTED]
Petitioner: [REDACTED] [REDACTED]

HEARING DECISION

On August 26, 2025, Petitioner [REDACTED] requested a hearing to dispute an overpayment notice. As a result, a hearing was scheduled to be held on September 23, 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's mother/legal guardian, [REDACTED] appeared for Petitioner. Respondent Michigan Department of Health and Human Services (Department) had Overpayment Establishment Analyst Mark Roberts appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 45-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 MiCAP Food Assistance Program (FAP) benefits that were overpaid to her for the months of March 2025 through August 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 was a MiCAP FAP benefit recipient.
2. In January 2025, Petitioner began receiving Social Security RSDI benefits.
3. A data exchange notified the Department that Petitioner began receiving Social Security RSDI benefits, and the Department did not take any action to close Petitioner's MiCAP case.
4. Petitioner was unaware that she was ineligible to receive MiCAP FAP benefits after she started receiving Social Security RSDI benefits, so Petitioner did not take any action on her case.
5. The Department continued to issue MiCAP FAP benefits to Petitioner. The Department issued the following MiCAP FAP benefits to Petitioner:
 - a. \$ [REDACTED] for March 2025.
 - b. \$ [REDACTED] for April 2025.
 - c. \$ [REDACTED] for May 2025.
 - d. \$ [REDACTED] for June 2025.
 - e. \$ [REDACTED] for July 2025.
 - f. \$ [REDACTED] for August 2025.
6. Subsequently, the Department discovered that it erroneously failed to close Petitioner's MiCAP case when she began receiving Social Security RSDI benefits.
7. The Department reviewed Petitioner's case, and the Department determined that Petitioner was ineligible for MiCAP FAP benefits as of March 1, 2025.
8. The Department did not determine whether Petitioner would have been eligible for (non-MiCAP) FAP benefits as of March 1, 2025.
9. The Department determined that it overpaid Petitioner \$ [REDACTED] in MiCAP FAP benefits for the months of March 2025 through August 2025.
10. On August [REDACTED] 2025, the Department mailed an overpayment notice to Petitioner to notify her that she owed the Department a \$ [REDACTED] debt because the

Department overpaid her \$ [REDACTED] in MiCAP FAP benefits for the months of March 2025 through August 2025.

11. Petitioner learned that she was ineligible for MiCAP FAP benefits when the Department notified her that it overpaid her MiCAP FAP benefits for the months of March 2025 through August 2025.
12. Once Petitioner learned that she was ineligible for MiCAP FAP benefits, Petitioner applied for (non-MiCAP) FAP benefits, and Petitioner began receiving (non-MiCAP) FAP benefits.
13. 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 \$ [REDACTED] in MiCAP FAP benefits for the months of March 2025 through August 2025. The Department determined that Petitioner was ineligible for any MiCAP FAP benefits for the months of March 2025 through August 2025 because Petitioner was receiving Social Security RSDI benefits. Thus, the Department determined that Petitioner was not eligible to receive any of the MiCAP FAP benefits that the Department issued to Petitioner for the months of March 2025 through August 2025. Petitioner disagrees with the overpayment.

MiCAP is a simplified food assistance project for Social Security SSI recipients. BEM 618 (April 1, 2025), p. 1. A MiCAP recipient becomes ineligible when the recipient loses Social Security SSI eligibility or has any other type of income. *Id.* at 4. In this case, it is undisputed that Petitioner began receiving Social Security RSDI in January 2025. As a result, Petitioner was receiving "any other type of income," so Petitioner became ineligible for MiCAP. The Department properly determined that Petitioner was ineligible for MiCAP beginning March 2025.

Since Petitioner was ineligible for MiCAP beginning March 2025, Petitioner was not eligible to receive any of the MiCAP FAP benefits that she received for the months of March 2025 through August 2025. However, Petitioner likely would have been eligible

to receive (non-MiCAP) FAP benefits for the months of March 2025 through August 2025 if Petitioner would have applied for those benefits. Petitioner did not know that she needed to apply for (non-MiCAP) FAP benefits until the Department informed her that it had overpaid the MiCAP benefits to her.

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. In this case, Petitioner received \$ [REDACTED] in MiCAP FAP benefits for the months of March 2025 through August 2025 that she was not eligible to receive, but Petitioner would have likely been eligible to receive some amount of (non-MiCAP) FAP benefits for those same months. The Department did not determine whether Petitioner would have been eligible to receive (non-MiCAP) FAP benefits for those months before the Department determined the overpayment amount. Thus, the Department did not determine the amount of MiCAP FAP benefits that Petitioner received in excess of the amount of (non-MiCAP) FAP benefits that she would have been eligible to receive. Therefore, the Department did not properly determine the overpayment amount in accordance with BAM 700. Accordingly, the Department's decision is reversed.

If the Department wants to pursue Petitioner for an overpayment of MiCAP FAP benefits, the Department must determine Petitioner's eligibility for (non-MiCAP) FAP benefits for the months of March 2025 through August 2025 to determine the amount of MiCAP FAP benefits in excess of the amount of (non-MiCAP) FAP benefits that Petitioner was eligible to receive. The Department may need to obtain additional information from Petitioner to make this determination. Additionally, the MiCAP unit may need to work together with the local office to make this determination. If the Department determines that the amount of MiCAP FAP benefits in excess of the amount of (non-MiCAP) FAP benefits that Petitioner was eligible to receive was less than or equal to \$250.00, then the Department cannot pursue the overpayment. BAM 700 at 5.

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 did not act in accordance with its policies and the applicable law when it determined that Petitioner owes the Department a debt of \$ [REDACTED] for MiCAP Food Assistance Program (FAP) benefits that were overpaid to her for the months of March 2025 through August 2025.

IT IS ORDERED that the Department's decision is **REVERSED**. 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:

Respondent

DHHS MICAP OFFICE
235 S GRAND AVE STE 1403
LANSING, MI 48933
MDHHS-MICAP-
HEARINGS@MICHIGAN.GOV

Agency Representative

MARK ROBERTS
OVERPAYMENT ESTABLISHMENT
SECTION (OES)
235 S GRAND AVE STE 811
LANSING, MI 48933
MDHHS-RECOUPMENT-
HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]