# BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL BY THE COMMISSIONER OF HEALTH

In the Matter of	)	
	)	
D. X.	)	OAH No. 23-0415-SNA
	)	

#### **DECISION**

### I. Introduction

D. X. is a Supplemental Nutrition Assistance Program (SNAP)<sup>1</sup> recipient who received SNAP benefits in 2021 and 2022. The Division of Public Assistance (Division) determined that she had erroneously been overpaid SNAP benefits during 2021 and 2022. Based on this overpayment, the Division sent her notice that she was required to reimburse the Division \$3,752, which was the amount she had allegedly been overpaid during the months of March, April, May, June, July, August, and September of 2022. The Division subsequently decided to compromise the amount due and reduced it to \$360.

Even though the overpayment was caused by the Division's error, and was not D. X.'s fault, she is obligated repay the overpayment. The Division's determination that D. X. repay the overpayment claim in the compromised amount of \$360 is AFFIRMED.

#### II. Facts

D. X. was a SNAP recipient in 2021, who had a total household of five people, herself, her husband, and their three children. She reported an increase in her pay and a decrease of her household size, by one person, which resulted in a household of four people 2021.<sup>2</sup> Her increase in income undisputedly placed her over the income limit for both a four-person household and a five-person household.<sup>3</sup> The Division did not act on her reported change, and she continued to receive benefits for a five-person household from fall of 2021 to March of 2022.<sup>4</sup> Subsequently, the Division reviewed the case and in March of 2023 determined that it had made an error when it did not terminate her benefits in the fall of 2021.<sup>5</sup>

On March 31, 2023, the Division sent D. X. notice that it had made an error when it failed to terminate her SNAP benefits after her reported change in income and that the benefits

The Supplemental Nutrition Assistance Program is also known by its previous name of the Food Stamp Program. Congress changed the name of the program from the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). The term SNAP will be used in this decision.

 $<sup>^{2}</sup>$  Exs. 2.1 - 2.6.

<sup>&</sup>lt;sup>3</sup> Exs. 3.8-3.14.

<sup>&</sup>lt;sup>4</sup> Ex. 3.18.

<sup>5</sup> Ex. 3.

paid after her change in income were overpayments.<sup>6</sup> The notice indicated that the Division was only seeking the recoupment of benefits for March of 2022 through September of 2022. D. X. received a total of \$3,752 in SNAP benefits during March, April, May, June, July, August, and September of 2022.<sup>7</sup> In its notice, the Division told D. X. that she was required to repay those SNAP benefits which totaled \$3,752.<sup>8</sup> After the Division sent D. X. the notice that she was required to repay \$3,752, it sent her a second notice on June 2, 2023, stating that the Division had determined that requiring her to repay the entire \$3,752 would be a "significant hardship" given the circumstances, and that it was only requiring her to pay back \$360.<sup>9</sup>

D. X. did not dispute that she was overpaid but testified that she was not at fault for the overpayment and having to repay the \$360 dollars would be financially challenging for her. 10

## III. Discussion

The issue in this case is whether the Division was correct to require D. X. to repay the SNAP benefits that she received in March, April, May, June, July, August, and September of 2022. The original claim was for \$3,752, but the Division reduced its claim to \$360.

SNAP is a federal program which is administered by the State of Alaska.<sup>11</sup> To administer the program in Alaska, the Alaska Department of Health has adopted the federal regulations governing the program.<sup>12</sup> Accordingly, the decision in this case is governed by the federal SNAP regulations.<sup>13</sup> The Division has the burden of proof in this case because it is seeking to recover paid SNAP benefits from D. X..<sup>14</sup>

The first step in resolving this case is determining whether the Division was correct in finding that D. X. was not eligible for SNAP benefits between March and September of 2022. Benefit eligibility and benefit amount are based on the income for the household and, if that income exceeds the maximum gross income for that household's size, the household is not eligible for benefits.<sup>15</sup> The gross income limit for D. X.'s household during the dates the Division is seeking to recoup benefits was \$4,205 for a household of five people and \$3,590 for a

Decision

<sup>&</sup>lt;sup>6</sup> Ex. 3.1.

<sup>&</sup>lt;sup>7</sup> Ex. 3.1.

<sup>&</sup>lt;sup>8</sup> Ex. 3.1.

<sup>&</sup>lt;sup>9</sup> Ex. 4.

<sup>&</sup>lt;sup>10</sup> Record at 1:14:30.

<sup>&</sup>lt;sup>11</sup> 7 C.F.R. § 271.4(a).

<sup>&</sup>lt;sup>12</sup> 7 AAC 46.010.

The applicable regulations are located at 7 C.F.R. § 273.1 et. seq.

<sup>&</sup>lt;sup>14</sup> 7 AAC 49.135.

<sup>&</sup>lt;sup>15</sup> 7 C.F.R. §§ 273.9 and 273.10.

household of four people.<sup>16</sup> During the relevant period D. X.'s gross income was \$5,651.98.<sup>17</sup> As D. X.'s gross income was over the gross income limit, she was not eligible for benefits during the relevant period.

The question then arises as to whether D. X. must repay the benefits that she subsequently received during the months of March, April, May, June, July, August, and September of 2022. The Division has not claimed fraud and the evidence shows D. X.'s receipt of ongoing benefits was due to the fact that the Division did not timely act on the change in income notice it received from D. X. until after it had already issued benefits. This was the Division's error. While it is certainly understandable that receiving a notice that required D. X. to repay benefits that were issued to her because of the Division's error would be distressing, the Division has no discretion in this case.

The federal statute that addresses SNAP overpayments, 7 U.S.C. § 2022(b)(1), provides that the "state agency *shall* collect any issuance of benefits issued to the household . . .." [emphasis added]. The specific federal regulation pertaining to the recoupment of SNAP benefits is 7 C.F.R. § 273.18. Subsection (a)(2) of that regulation provides that "the State agency *must* establish and collect any claim . . .." Under subsection (b) ((3), collection action is required even where (as here) the "overpayment [is] caused by an action or failure to take action by the State agency." The Alaska Supreme Court has ruled that these federal requirements apply to Alaska SNAP recipients. <sup>18</sup> Even though the overpayment was caused by the Division's error, the Division is required to recover the overpaid benefits, which it reduced to \$360 from its original claim of \$3,752.

#### IV. Conclusion

The Division's determination that D. X. is required to reimburse the Division \$360 for overpaid SNAP benefits is AFFIRMED.

DATED: July 26, 2023.

Signed
Eric M. Salinger
Administrative Law Judge

Exs. 3.5 - 3.14.

Exs. 3.5 - 3.14.

Allen v. State, DHSS 203 P.3d 1155, 1164 - 1166 (Alaska, 2009).

# **Adoption**

The undersigned, by delegation from the Commissioner of Health, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 9<sup>th</sup> day of August, 2023.

By: <u>Signed</u>
Eric M. Salinger
Administrative Law Judge

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]