

DEPARTMENT OF **HEALTH AND HUMAN SERVICES**

~~FAMILY PROGRAM POLICY~~ **ECONOMIC STABILITY** ADMINISTRATION

FAMILY INDEPENDENCE PROGRAM

Filed with the secretary of state on

These rules take effect on January 1, 2020 and are adopted under section 44 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.244.

(By authority conferred on the department of **health and** human services by section 6 of **the social welfare act**, 1939 PA 280, MCL 400.6)

R 400.3101 and R 400.3112 of the Michigan Administrative Code are amended, as follows:

R 400.3101 Definitions.

Rule 1. (1) As used in these rules:

(a) "Administrative recoupment" means a process by which a group's benefits are reduced to make payments on an over issuance.

(b) "Agency errors" means over issuances caused from incorrect actions by the department.

(c) "Application" means an application for the family independence program.

(d) "Application filing date" means the date the department receives a signed application document that contains the minimum required information.

(e) "Authorized representative" means a person who is not less than 18 years of age and who applies for assistance on behalf of a client or who otherwise acts on a client's behalf, or both. The person may be, but is not limited to being, a guardian, spouse, or relative outside the group.

(f) "Available/warrant date" means the date that a regular assistance benefit or warrant was issued.

(g) "Client error" means over issuances that are caused due to the action or inaction of a client or authorized representative. An over issuance resulting from a department action being deleted due to a client's hearing request is client error if the client withdraws his or her request, fails to appear for the hearing, or the department is upheld in the hearing decision.

(h) "Collection actions" means the department processes initiated to maximize the recovery of over issued benefits.

(i) "Crediting" means returning the benefit issuance amount to the state treasury.

(j) "Department" means the Michigan department of **health and** human services.

(k) "Disqualification" means a department penalty action which is assessed for noncompliance with a family independence program requirement and which results in the ineligibility of the noncompliant person.

(l) "Eligible child" means a child who is part of a group that receives assistance under the family independence program.

(m) "Immunizations" means all immunizations recommended by the department of community health.

(n) "Institution" means an establishment that furnishes food, shelter, and some medical treatment or services to more than 3 people who are unrelated to the proprietor of the establishment.

(o) "Intentional program violation" means the intentional withholding or misrepresenting of information by a client or authorized representative for the purpose of obtaining benefits that he or she would not otherwise be eligible for. Over issuances become intentional program violations if the client or client's authorized representative is found responsible for an intentional program violation by a court, as a result of an administrative hearing, or due to signing an agreement form.

(p) "Mandatory vendoring" means department payment of assistance amounts, without client request, directly to the client's landlord, mortgage holder, land contract holder, and the providers of the client's home heating and electricity services.

(q) "Minimum wage" means the lesser of the federal or state minimum wage.

(r) "Monthly payment amount" means the amount of assistance paid to the group after deductions for vendoring and any department recoupment.

(s) "Nonstriker" means a person to whom all of the following conditions apply:

(i) Is locked out of the workplace by the employer.

(ii) Is not part of the bargaining unit on a strike.

(iii) Is in fear of reprisal if he or she crosses a picket line.

(t) "Over issuance" means an issuance of more benefits than a client is eligible to receive.

(u) "Over issuance period" means the time period during which an over issuance occurs.

(v) "Over issuance type" means the reason an over issuance occurred. Department error, client error, and client intentional program violation are the types of over issuance.

(w) "Pay period" means the half of the month from the first of the month through the fifteenth of the month or from the sixteenth of the month through the end of the month.

(x) "Potential benefits" means any of the following benefits:

(i) Retirement, survivors, and disability insurance.

(ii) Worker's compensation benefits.

(iii) Veterans administration benefits.

(iv) Railroad retirement benefits.

(v) Unemployment compensation benefits.

(vi) Child support payments.

(vii) Pension payments.

(viii) Disability or retirement benefits.

(ix) Earned but unpaid wages.

(x) Strike pay.

(xi) Vacation pay.

(xii) Supplemental unemployment benefits.

(xiii) Supplemental security income.

(xiv) Any other financial benefits for which potential eligibility exists and which may reduce the family independence program benefit, other than state-funded, needs based programs.

(y) "Reapplication" means an application for family independence program benefits after a previous case has been closed.

(z) "Recoupment" means a department action to identify and recover a benefit over issuance.

(aa) "Redetermination" means a review of continuing eligibility for the family independence program.

(bb) "Redirecting" means routing a warrant to a different address.

(cc) "Reinstatement" means restoring a closed assistance case to active status without a new application/redetermination form.

(dd) "Repayment" means an action by the client to pay back benefits received.

(ee) "Restricted payments" means the meeting of client shelter, heat, and utilities obligations through mandatory vendoring or third-party payments.

(ff) "Returned warrants" means uncashed warrants received by the local department office or treasury.

(gg) "Stop payment" means a department directive to treasury to not honor a warrant.

(hh) "Striker" means a person who is involved in any of the following situations:

(i) An employee strike.

(ii) A concerted work stoppage, including a stoppage when a collective bargaining agreement expires.

(iii) A work slowdown.

(iv) Interruption of work activities or employment operations.

(ii) "Third-party payments" means department payment of the client's entire assistance benefit, without client request, to an agency or person outside the eligible group for management of the assistance on behalf of the group.

(jj) "Third party resource" means a person, entity, or program that is, or might be, liable to pay all or part of a group member's medical expenses.

(kk) "Treasury" means the Michigan department of treasury.

(ll) "Under issuance" means that a group has received less cash assistance than it is eligible to receive.

(mm) "Verification" means documentation or other evidence to establish the accuracy of the client's verbal or written statements.

(nn) "Voluntary vendoring" means a payment system whereby, at the group's request, the department sends part of the group's cash assistance directly to the provider of shelter, heat, or electricity.

(oo) "Warrant date" means the date shown on the warrant. For regular client and vendor warrants, the warrant date is the expected date of delivery. For replacement warrants, the warrant date is the date that the warrant was mailed by the department.

(2) Terms defined in 1939 PA 280, MCL400.1 has the same meaning when used in these rules.

R 400.3112 Group composition.

Rule 12. (1) If family independence assistance is requested for a child, then all of the following persons who live together shall, **except as provided in subrule (7)**, be included in the program group applying for assistance and, if eligible, in the family independence assistance group:

- (a) The child.
- (b) The child's parents.
- (c) The child's siblings who meet the definition of child.
- (d) The parents of the siblings.
- (e) The child's stepparent.
- (f) The child's stepsiblings who meet the definition of child.
- (g) The child's child.

(2) If a minor parent applies for assistance for himself or herself and his or her child, and if the minor parent is living with his or her parent or parents or stepparent, then the minor parent is denied assistance in his or her own right and the minor parent and his or her child shall be treated as children in accordance with subrule (1) of this rule.

(3) If a minor parent applies for assistance and is living with a legal guardian or an adult relative, other than his or her parent or stepparent, and if the adult relative or legal guardian receives family independence assistance, then the minor parent and his or her child shall be included in the adult relative's or legal guardian's group and, if eligible, in the family independence assistance group as children in the care of the adult relative or legal guardian. If the adult relative or legal guardian does not receive family independence assistance, then the minor parent may receive assistance in his or her own right, if eligible.

(4) If a caretaker is caring for and requesting assistance for 2 or more children who are not siblings or stepsiblings to each other, then all of the children under the care of the caretaker shall be included in a single program group and, if eligible, in a single family independence assistance group.

(5) In the absence of a parent or stepparent, a needy caretaker may request assistance and be included in the program group and, if eligible, in the family independence assistance group with the child. If the caretaker chooses to request assistance for himself or herself, then the caretaker's spouse and their dependent children, if living in the home, shall also be included in the request for assistance.

(6) The program group or family independence assistance group may consist of the following persons if there is no eligible child in the group:

- (a) A pregnant woman and her husband, if living in the home.
- (b) A parent, stepparent, or other caretaker of a child in the home who would be eligible except for the child's receipt of supplemental security income, and the spouse of the parent, stepparent, or other caretaker, if living in the home.
- (c) A parent of a child in foster care, and the spouse of the parent, if living in the home. The parent, and the parent's spouse, if applicable, shall comply with the agency's case service plan.

(7) If an individual becomes a new group member as a result of marriage to a member of the group, the new group member's income and assets will be disregarded for 18 months after the date of marriage, unless the program group's income and assets, when combined with the new parent's, the new stepparent's or the new stepsibling's income or assets, exceed twice the income and asset limits set by the department.