

FAMILY INDEPENDENCE AGENCY  
FAMILY SERVICES ADMINISTRATION  
STATE DISABILITY ASSISTANCE PROGRAM

(By authority conferred on the family independence agency by section 6 of Act No. 280 of the Public Acts of 1939, as amended, being §400.6 of the Michigan Compiled Laws)

R 400.3151 Definitions.

Rule 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 overissuance.
- (b) "Agency errors" means overissuances caused from incorrect actions by the family independence agency (FIA).
- (c) "Application" means an application for state disability assistance.
- (d) "Application filing date" means the date the agency 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 otherwise acts on a client's behalf, or both. The person may be, but is not limited to, a guardian, spouse, or relative outside the group.
- (f) "Client error" means overissuances caused from actions or inactions by a client or an authorized representative. An overissuance that results from an FIA action being discontinued due to a client's hearing request is client error if a client withdraws his or her request, fails to show for the hearing, or the FIA's action is upheld at the hearing.
- (g) "Collection actions" means FIA processes initiated to maximize the recovery of overissued benefits.
- (h) "Collateral contact" means contact with an information source other than the client through written correspondence, a telephone interview, or an interview other than at the client's home.
- (i) "Crediting" means returning the warrant amount to the state treasury.
- (j) "Disqualification" means an FIA penalty action for noncooperation with a state disability assistance program requirement that results in the ineligibility of the noncompliant person.
- (k) "Domiciliary care" means the provision of meals, lodging, and the supervision of basic daily living activities.
- (l) "Grantee" means the person who is responsible for the verbal and written communications between the group and the FIA, and in whose name program benefits are generated and received.
- (m) "Group" means the state disability assistance group.
- (n) "Institution" means an establishment that furnishes food, shelter, and some treatment or services to more than 3 people who are unrelated to the proprietor.
- (o) "Intentional program violation" means an action that occurs when a client or authorized representative intentionally withholds or misrepresents information for the purpose of obtaining benefits that he or she would not otherwise be eligible for. An overissuance becomes an intentional program violation if a client or client's authorized representative is found to be responsible for an intentional program violation by a court or as a result of an administrative hearing or has signed a disqualification agreement.
- (p) "Mail date" means the date a regular assistance warrant was issued.
- (q) "Mandatory vendoring" means an agency payment of assistance amounts, without client request, directly to the client's landlord, mortgage holder, or land contract holder and to the providers of the client's home heating and electricity services.
- (r) "Monthly payment amount" means the amount of assistance paid to a group after deductions for vendoring and any agency recoupment.
- (s) "Overissuance" means an issuance of more benefits than the client is eligible for.
- (t) "Overissuance period" means the time period during which the overissuance occurred.
- (u) "Overissuance type" means the reason an overissuance occurred. The 3 types of overissuances are agency error, client error, and client intentional program violation.
- (v) "Pay period" means the first through the fifteenth of the month or the sixteenth through the end of the month.

(w) "Personal care" means the provision of meals, lodging, supervision, and personal assistance in basic daily living activities.

(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) Pension payments.

(vi) Disability or retirement benefits.

(vii) Earned but unpaid wages.

(viii) Strike pay.

(ix) Vacation pay.

(x) Supplemental security income.

(xi) Family independence program benefits.

(xii) Other than state-funded, needs-based programs, any other financial benefits for which potential eligibility exists and which may reduce the state disability assistance program benefit.

(y) "Program group" means the persons whose income and assets are considered for purposes of determining financial eligibility for state disability assistance.

(z) "Provider" means the owner or operator of a special living arrangement facility.

(aa) "Reapplication" means an application for state disability assistance after a previous case closure.

(bb) "Recoupment" means an FIA action to identify and recover a benefit overissuance.

(cc) "Redetermination" means a review of continuing eligibility for state disability assistance.

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

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

(ff) "Repayment" means an action by a client to pay back benefits received.

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

(hh) "Returned warrants" means uncashed warrants received by the local FIA office or treasury.

(ii) "Special living arrangement" means any of the following:

(A) An adult foster care facility.

(B) A county infirmary.

(C) A substance abuse treatment center.

(D) A home for the aged.

(E) A long-term care facility.

(F) A hospital.

(jj) "State disability assistance group" means the members of a program group who receive state disability assistance.

(kk) "Stop payment" means an FIA directive to treasury to not honor a warrant.

(ll) "Third-party payments" mean an agency payment of a 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.

(mm) "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.

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

(oo) "Underissuance" means that a group receives less cash assistance than it is eligible to receive.

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

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

(rr) "Warrant date" means the date shown on a 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 the warrant was mailed.

History: 1998-2000 AACS.

R 400.3152 Group composition.

Rule 2. (1) If an individual requests state disability assistance, then the following persons are in the program group and, if eligible, in the state disability assistance group:

(a) The individual who requests assistance.

(b) The individual's spouse, if the spouse is living in the home with the individual.

(2) State disability assistance is limited to needy persons who are 18 years or older and to emancipated minors who meet all eligibility criteria.

History: 1998-2000 AACCS.

R 400.3153 Temporary absence from home.

Rule 3. (1) A person is temporarily absent from the home if all of the following provisions apply:

(a) The person's location is known.

(b) There is a definite plan for the person's return.

(c) The person lived with the group before the absence.

(d) The absence has lasted, or is expected to last, 30 calendar days or less.

(2) The 30-calendar-day provision in subrule (1)(d) of this rule does not apply if the absence is due to hospitalization, training, or education.

(3) A person who meets the criteria for being temporarily absent specified in subrules (1) and (2) of this rule is considered to be living in the home and continues to receive assistance.

History: 1998-2000 AACCS.

R 400.3154 Institutional status; eligibility for state disability assistance.

Rule 4. (1) A person who is in an institution for more than 30 calendar days is not eligible for state disability assistance.

(2) If a person is placed in an institution, it is presumed that he or she will remain there more than 30 calendar days unless a shorter stay is verified.

(3) Notwithstanding subrules (1) and (2) of this rule, a person in any of the following institutions may be eligible for state disability assistance if all other eligibility criteria are met:

(a) A home for the aged.

(b) A county infirmary.

(c) An adult foster care home.

(d) A substance abuse treatment center.

(e) A department of corrections contract facility for probationers.

(f) A technical institute and rehabilitation center operated by Michigan rehabilitation services.

History: 1998-2000 AACCS.

R 400.3155 Applications for assistance.

Rule 5. (1) Any person, regardless of age, may apply for assistance for himself or herself. With the group's permission, a person who is more than 18 years of age may be authorized to represent, and apply on behalf of, the group.

(2) An applicant may submit an application by fax on a form prescribed by the FIA. The FIA must receive the original, signed application before benefits are approved.

(3) A person shall complete an FIA application form when first applying for assistance benefits and when eligibility is redetermined.

(4) If an application contains the minimum information established by the FIA, including the signature of the client or authorized representative, then the FIA shall accept and register the application as soon as it is filed.

(5) Upon receipt of an incomplete application, FIA staff shall give or send a client an appropriate form that identifies the information needed to render the application complete and shall specify a due date by which the information must be provided. Eligibility shall be denied, or an ongoing assistance case shall be terminated, if an application remains incomplete. An incomplete application is valid through the last day of the month after the month of denial or termination and may be updated during that period.

(6) As part of the application and redetermination process, the FIA may conduct an official, confidential interview with a client, another responsible applicant group member, or an authorized representative. An interview shall be conducted in an FIA local office during normal weekday office hours. The FIA may conduct an interview in the group's home if the client is physically unable to come to the office and if the group has no one else to help or to come to the office on its behalf.

History: 1998-2000 AACS.

R 400.3156 Verification of eligibility factors.

Rule 6. (1) A group shall provide the FIA with verification of the factors that affect the initial and continued eligibility of the group or its individual members in the state disability assistance program, including information obtained by data exchanges.

(2) The FIA shall provide a client with a written notice of the factors that must be verified and the due date for submitting verification to the local office of the FIA.

(3) FIA staff may visit a group's home to verify eligibility information or to conduct other FIA business. A group shall cooperate with FIA home visits.

History: 1998-2000 AACS.

R 400.3157 Determination of eligibility and assistance amount.

Rule 7. The FIA shall determine the eligibility of each person in a program group and the amount of assistance for which the group qualifies.

History: 1998-2000 AACS.

R 400.3158 Beginning of assistance benefits.

Rule 8. The earliest that FIA shall begin assistance benefits is the half-month pay period after the pay period that includes the application filing date, if the group is eligible for that pay period. The latest that the FIA shall begin assistance benefits is the pay period in which the application becomes 30 calendar days old, if the group is eligible for that pay period. If the application becomes 30 calendar days old and the group has not met eligibility requirements, then the FIA shall begin assistance benefits for the pay period in which all eligibility requirements are met.

History: 1998-2000 AACS.

R 400.3159 Client responsibility to cooperate with FIA; effect of failure to cooperate.

Rule 9. (1) A client shall cooperate with FIA staff in determining initial and ongoing eligibility and benefit levels. Cooperation includes all of the following:

(a) Answering completely and truthfully all questions on FIA forms and during interviews.

(b) Taking all actions within the client's ability to verify factors concerning the client's eligibility.

(c) Cooperating with FIA staff during quality control reviews.

(d) Reporting accurate information that potentially affects eligibility or benefit amount within 10 calendar days after the information is known to the client.

(2) Failure to cooperate with the FIA in any matter of eligibility will result in denial of the assistance application or case closure, member disqualification, or benefit level reduction.

History: 1998-2000 AACS.

R 400.3160 Eligibility; citizenship and alien status.

Rule 10. (1) To be eligible for assistance benefits, a person shall be either of the following:

(a) A citizen of the United States.

(b) An alien qualified to receive supplemental security income as provided under title IV, section 402 of Public Law 104-193, 8 U.S.C. §1612.

(2) An alien who is qualified as specified in subrule (1)(b) of this rule shall verify the qualification. An alien who is unable to provide verification or who refuses to cooperate with the FIA in obtaining verification is ineligible for assistance benefits.

(3) Subrule (1)(b) of this rule notwithstanding, a refugee or asylee who loses eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in Public Law 104-193 and who otherwise meets the eligibility criteria for the state disability assistance program shall be eligible to receive benefits under the state disability assistance program.

History: 1998-2000 AACCS.

R 400.3161 Mandatory vendoring or third-party payments.

Rule 11. (1) If the FIA determines that a grantee's negligence has resulted in the mismanagement of funds and has endangered the health or safety of a group member, then, subject to subrule (2) of this rule, the FIA shall initiate mandatory vendoring or third-party payments.

(2) The FIA's decision to initiate third-party payments or mandatory vendoring shall be based on the seriousness of the client endangerment, the availability of a competent third-party payee, and the qualification of shelter providers.

(3) Mandatory vendoring shall be limited to the monthly combined shelter, heat, and utility expenses. A client shall receive a minimum \$2.00 monthly payment amount after vendoring and other required deductions from the payment standard.

(4) A group in restricted payment status has the right to an FIA review of the need to continue mandatory vendoring or third-party payments at least once every 6 months.

History: 1998-2000 AACCS.

R 400.3162 Voluntary vendoring.

Rule 12. (1) A group may request voluntary vendoring at any time by completing an FIA vendor payment form.

(2) As part of a voluntary vendoring request, a group that has heat and electricity obligations shall request vendor payments for both services unless vendoring both would leave a monthly payment amount of less than \$2.00. The FIA or a utility company shall establish vendored amounts for heat and electricity based on the assistance payment standard.

(3) A group may specify any monthly shelter amount that is not less than \$2.00 to be vendored if vendoring would leave a monthly payment amount of at least \$2.00.

(4) The FIA shall cease voluntary vendor payments as soon as administratively feasible when requested in writing by a client.

(5) The FIA shall not authorize voluntary vendor payments for rent under any of the following circumstances:

(a) The local housing authority notifies the FIA that the dwelling fails to meet the housing code or that the landlord has failed to cooperate with housing code policies and procedures. In this situation, the FIA shall discontinue ongoing vendoring within 5 workdays if administratively feasible.

(b) The landlord has not cooperated with the FIA or a utility company in the installation of energy conservation measures that were determined necessary to reduce energy consumption. In this situation, the FIA shall discontinue ongoing vendoring within 5 workdays if administratively feasible.

(c) Title to the rental property reverts to the state of Michigan or local municipality for nonpayment of property taxes.

History: 1998-2000 AACCS.

R 400.3163 Special living arrangements.

Rule 13. (1) A client who resides in an adult foster care facility, county infirmary, or home for the aged may be eligible for a client incidental allowance and for provider payment.

(2) A client who resides in a substance abuse treatment center, long-term care facility, or hospital may be eligible for a client incidental allowance, but is not eligible for provider payment.

(3) A special living arrangement facility must be licensed in order to receive payment.

(4) The FIA must determine a client's level of care to be either domiciliary care or personal care before provider payment may be authorized.

(5) Provider payment for a special living arrangement may begin up to 10 calendar days before the application filing date for an eligible client who was residing in a facility 10 days before the date of application.

(6) Subject to subrule (5) of this rule, per diem provider payment eligibility begins the day an eligible client enters a special living arrangement facility and ends the day the client becomes ineligible for assistance or the day before the date of discharge, whichever is earlier.

(7) If a client's failure to report timely, complete, and accurate information results in an overpayment for special living arrangement care, then the amount overpaid shall be recovered from the client.

(8) If a provider of special living arrangement care is overpaid as a result of incorrect provider billing or level of care authorization, then the amount overpaid shall be recovered from the provider.

History: 1998-2000 AACS.

#### R 400.3164 Changes in group's circumstances.

Rule 14. (1) A group shall report a change in circumstance within 10 days of the change.

(2) The FIA will act on changes that continue for at least 1 month beyond the month in which the change was reported.

(3) A group member addition or change in income that results in a benefit increase must affect the benefit level for the month after the month the change occurred, if the addition or change is reported timely. If a group member addition or change in income that results in a benefit increase is reported late, then the effective month of the increase is the month after the month the change is reported and verified.

(4) A change other than the changes specified in subrule (3) of this rule must affect the first full benefit month that begins no later than 10 days after the change is reported.

The FIA may affect the first full benefit month that begins earlier than 10 days after the change is reported, if administratively possible. A benefit month is the calendar month for which assistance is paid. Assistance may be paid for 1/2 of the benefit month or for a full benefit month, depending upon a group's eligibility for payment.

(5) A change that results in case closure may affect the month in which the change occurred.

(6) If a change in a group's assets results in exceeding the asset standard established by the FIA, then the group is ineligible for benefits for 1 month or for as long as the assets exceed the standard, whichever is longer. In this situation, the month in which assistance is closed is either the month following the month in which the group obtained the asset or, if administratively feasible, the second month following the month in which the group obtained the assets.

History: 1998-2000 AACS.

#### R 400.3165 Determination of eligibility and benefit levels; use of data base matching.

Rule 15. The FIA will use information available through data base matching to determine eligibility and benefit levels for clients.

History: 1998-2000 AACS.

#### R 400.3166 Social security numbers; client verification or cooperation in obtaining number.

Rule 16. A client shall verify his or her social security number or cooperate in obtaining a social security number to be eligible to receive benefits.

History: 1998-2000 AACS.

#### R 400.3167 Crediting and redirecting warrants.

- Rule 17. (1) A regular assistance or supplemental client warrant can be credited or redirected before issuance.
- (2) A vendor warrant is automatically credited when a regular warrant for a particular case is credited.
- (3) The FIA shall not require a client to repay amounts owing to the FIA as a condition of releasing a warrant.

History: 1998-2000 AACS.

R 400.3168 Returned warrants.

Rule 18. (1) A returned warrant may be rewritten if a group was eligible for cash assistance during the period covered by the original warrant.

(2) A group is presumed to be ineligible for cash assistance under any of the following circumstances:

(a) The post office returned a client warrant to the treasury as undeliverable and there has been no contact from the group regarding the warrant.

(b) A warrant remains uncashed for more than 30 calendar days and there has been no contact from the client regarding the warrant.

(c) A client fails to contact the FIA by the disposition deadline for a warrant returned or delivered to the local FIA office.

(3) A representative of a group who picks up a client warrant shall present the group's signed statement authorizing the representative to pick up the warrant.

History: 1998-2000 AACS.

R 400.3169 Replacement policies for warrants reported lost, stolen, not received, or destroyed.

Rule 19. (1) If a group reports an unendorsed warrant lost, stolen, not received, or destroyed, then the group may have the warrant replaced if replacement is requested by the last workday of the fourth calendar month after the warrant date and if all of the following criteria, as appropriate, are met:

(a) The group completes a stop payment/replacement request affidavit. For stolen warrants, a group shall file a police report, unless replacement of the warrant is made after recovery of the warrant amount.

(b) A client or provider shall contact the post office to verify delivery of a warrant that was issued but not received. If delivery is verified, then the warrant is considered lost. If delivery cannot be verified, then the warrant is considered not received.

(c) For warrants considered not received, a client or provider shall complete a stop payment/replacement request affidavit. The earliest that the request affidavit may be completed is the fourth mail delivery day following the warrant date.

(d) Under any of the following circumstances, a warrant shall be replaced only after recovery of the original warrant amount:

(i) Replacement is requested more than 30 calendar days after the warrant date.

(ii) The client has previously requested a replacement after cashing the original warrant.

(iii) The client has previously requested stop payment action 4 or more times.

(iv) A police report was not filed on a stolen warrant.

(v) The case is closed or closure is pending.

(vi) The warrant to be replaced is a replacement warrant or a vendor warrant.

(2) If a warrant is cashed by a recipient of cash assistance, then the FIA will not take action on a request to stop payment on the cashed warrant and a replacement warrant will not be issued.

(3) A warrant that is lost or stolen after endorsement shall be replaced only if the warrant is later returned or voided.

(4) If a replacement warrant is issued for a warrant that was cashed and the client claims that the warrant copy signature is not his or hers, then the client shall sign an affidavit that the signature is not the client's signature.

(5) If a replacement warrant is issued for a warrant that was cashed and the client fails to keep an appointment to view the warrant, refuses to sign the affidavit, or admits endorsing both the original and replacement warrants, then the FIA shall recover the overissuance from the group.

History: 1998-2000 AACS.

R 400.3170 Supplemental benefits policy for cash assistance.

Rule 20. (1) Supplemental benefits, also referred to as a supplement, are issued to correct an underissuance.

(2) A supplement is offset by overissuances for which collection actions have not yet begun. The amount of the overissuance is subtracted from the amount of the supplement, up to the amount of the supplement.

(3) A supplement shall be issued promptly when verification of the need for a supplement is received by the FIA or when the FIA has knowledge of the need for a supplement.

(4) A supplement is issued back to the month following the month that verification, if required, shows the need began, but not earlier than the month following the month that the group reported the change which resulted in the need for a supplement.

(5) A supplement shall not be issued for a period before the effective date for program eligibility.

(6) The FIA shall give a group adequate notice that a supplement has been authorized or denied.

History: 1998-2000 AACS.

R 400.3171 Identity verification requirement; acceptable verification sources.

Rule 21. (1) A grantee shall verify his or her identity in order to receive benefits.

(2) If a grantee cannot provide adequate documentary evidence of his or her identity, then a collateral contact may be used to verify identity.

History: 1998-2000 AACS.

400.3172 Pursuit of potential benefits as condition of eligibility.

Rule 22. (1) As a condition of eligibility, a client shall apply for potential benefits for which the group or a member of the group may be eligible.

(2) A client shall take action to make the entire potential benefit amount available to the group.

(3) A group that would otherwise be eligible for the family independence program (FIP) except for the group's failure to meet or comply with a FIP eligibility requirement is not eligible for the state disability assistance program.

History: 1998-2000 AACS.

R 400.3173 Penalties for failure to pursue potential benefits; verification requirements.

Rule 23. (1) If a group refuses to pursue a potential benefit, then the group is ineligible for state disability assistance.

(2) If a client or other group members acts to restrict the amount of a potential benefit that is available to the group, then the group is ineligible for state disability assistance.

(3) The FIA shall accept a client's statement that he or she has applied for a benefit or that he or she is not eligible for a benefit, unless the statement is unclear, inconsistent, or in conflict with other information.

History: 1998-2000 AACS.

R 400.3174 Concurrent receipt of benefits prohibited.

Rule 24. (1) A client may not receive state disability assistance benefits and refugee matching grant payments for the same period.

(2) A client may not receive state disability assistance benefits for the same period in which he or she received benefits from any of the following:

(a) The family independence program.

(b) Another state's cash assistance program that is either state-funded or funded under title IV-A of the social security act of 1962, 42 U.S.C. §601 et seq.

(c) The refugee assistance program.

(d) The repatriate assistance program.



History: 1998-2000 AACCS.

R 400.3175 Residence.

Rule 25. (1) For purposes of the state disability assistance program, a resident of this state is a person who is living in this state voluntarily with the intention of making his or her home in this state and not for a temporary purpose and who is not receiving assistance from another state.

(2) The continued absence of a recipient from this state, unless the absence is temporary or an intent to return is established, shall constitute abandonment by the recipient of residence in this state.

History: 1998-2000 AACCS.

R 400.3176 Repayment agreements.

Rule 26. (1) As a condition of eligibility, a client is required to sign an agreement to repay state disability assistance benefits issued during the period in which the client is pursuing a financial benefit for which he or she may be eligible.

(2) If a client refuses to sign a repay agreement when required, then the group is ineligible for benefits.

History: 1998-2000 AACCS.

R 400.3177 Benefit overissuance determination and recoupment.

Rule 27. (1) A benefit overissuance period starts with the first pay period that the benefit issuance exceeds the benefit amount allowed. The overissuance period ends with the pay period immediately before the pay period when the benefit amount is corrected.

(2) A benefit amount that a group receives includes all of the following:

- (a) Regular, supplemental, and duplicate warrants.
- (b) Vendor payments.
- (c) The amount of any benefit reduction used to repay previous overissuances.

History: 1998-2000 AACCS.

R 400.3178 Intentional program violation disqualification and recoupment.

Rule 28. (1) If, in the course of an overissuance investigation, the FIA determines that an intentional program violation occurred, then the person accused of the violation shall be notified of all of the following:

- (a) The allegation.
- (b) A potential penalty.
- (c) The right to meet with FIA representatives to discuss the allegation.

(2) The FIA will conduct an administrative hearing to determine if an overissuance occurred due to intentional program violation, unless either of the following provisions applies:

(a) The person accused of the violation waives his or her right to the hearing by signing a recoupment and disqualification agreement.

(b) The individual has been convicted of the fraudulent receipt of benefits under section 60 of Act No. 280 of the Public Acts of 1939, as amended, being §400.60 of the Michigan Compiled Laws, or any other criminal fraud statute.

(3) If a person accused of an intentional program violation has agreed to and signed a recoupment and disqualification agreement, then the person does not have recourse to further administrative appeal.

(4) A person accused of an intentional program violation may request a hearing to contest the computation of the benefit reduction amount, but not the overissuance amount.

(5) An intentional program violation hearing may be conducted without the person accused of the violation or his or her authorized representative present if the hearing notice that was sent to the person is not returned by the post office as undeliverable.

(6) Any administrative hearing initiated by the FIA under this rule shall be conducted pursuant to notice served on the accused person not later than 6 years after the overissuance occurred.

(7) If the FIA does not establish that an overpayment was the result of an intentional program violation, then the FIA shall recoup the overpayment as FIA or client error.

(8) A person who is determined, in an administrative disqualification hearing, to have committed an intentional program violation, who pleads guilty to an intentional program violation, who waives his or her legal right to an administrative disqualification hearing regarding an allegation of intentional program violation, or who is convicted of criminal fraud based on the fraudulent receipt of benefits shall be disqualified by reducing the monthly benefit level by the amount deemed to meet the individual's monthly needs for the following periods:

- (a) A period of 1 year for a first offense.
- (b) A period of 2 years for a second offense.
- (c) Permanently for a third or subsequent offense.

(9) For current or former state disability assistance recipients, the FIA shall impose a disqualification penalty for an intentional program violation within 5 days of the receipt of a decision that an intentional program violation occurred.

History: 1998-2000 AACS.

R 400.3179 Benefit overissuance collection and repayment actions.

Rule 29. (1) The FIA will employ administrative recoupment processes to recoup all benefit overissuances from active or inactive state disability assistance groups by cash repayment or benefit reduction.

(2) The FIA will seek recoupment of benefit overissuances from any adult who was a group member when the overissuance occurred.

(3) The FIA will recoup overissuances on active state disability assistance cases through benefit reduction, unless cash payments are ordered by a court.

(4) If an overissuance is not paid in full during the timely notice period, then the FIA shall reduce state disability assistance warrants by a percentage of the payment standard as follows:

- (a) FIA and client error overissuances are recouped at a 5% reduction of the payment standard.
- (b) Intentional program violation overissuances are recouped at a 10% reduction of the payment standard.

(5) An overissuance repayment amount shall be adjusted to maintain a minimum \$2.00 cash benefit to the client.

(6) If a court orders cash repayment of an overissuance and the active state disability assistance client does not make regular cash payments, then the FIA will change the collection method to benefit reduction.

(7) A local FIA office may pursue, through probate court claim action, collection from the estate of a person who dies and has an overissuance balance.

(8) A payment received as restitution under the terms of a person's probation reduces the balance owed, but completing the probation period or performing a requirement of probation does not reduce the amount owed in excess of the actual dollar amount paid toward the balance owed.

History: 1998-2000 AACS.

R 400.3180 Recision.

Rule 30. R400.1121 of the Michigan Administrative Code, appearing on pages 850 and 851 of the 1993 Annual Supplement to the 1979 Michigan Administrative Code, is rescinded.

History: 1998-2000 AACS.