

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ECONOMIC STABILITY ADMINISTRATION

STATE DISABILITY ASSISTANCE PROGRAM

(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 400.3151 Definitions.

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

(a) "Administrative hearing" means the impartial review by an administrative law judge of a department decision that a client believes is illegal or unsatisfactory. Both the client and the department may present evidence in support of their respective positions.

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

(c) "Application" means a signed and dated statement on a form prescribed by the department that an individual wishes to receive state disability assistance.

(d) "Application filing date" means the date an application with minimum required information is received by the department.

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

(f) "Client" means an individual applying for, currently receiving program benefits, inquiring about benefits, or is part of the program group.

(g) "Client error" means the department has taken all actions required under normal processing procedures but the client has given incorrect or incomplete information or failed to meet other requirements which impact the amount of program benefits and the error has not been determined as intentional. An overissuance that results from department action being discontinued due to a client's administrative hearing request is client error if a client withdraws the request, fails to show for the administrative hearing, or the department's action is upheld at the hearing.

(h) "Department" means the department of health and human services.

(i) "Disqualification" means a department penalty action for an individual who is ineligible for program benefits because an eligibility factor has not been met or because the individual refuses or fails to cooperate in meeting an eligibility factor.

(j) "Domiciliary care" means a type of care given to residents in a special living arrangement whose principal need is supervision and who are generally able to perform the basic activities of daily living, such as eating, bathing, and dressing.

(k) "EBT" means electronic benefit transfer.

(l) "Group" means the state disability assistance group.

(m) "FIP" means family independence program.

(n) "Institution" means an establishment that furnishes food, shelter, and some

treatment or services to more than 3 individuals 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 the client or authorized individual would not otherwise be eligible. 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) "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.

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

(r) "Overissuance" means that a group receives more benefits than it is eligible to receive.

(s) "Overissuance period" means the time period during which the overissuance occurred

(t) "Pay period" means the first to the fifteenth of the month or the sixteenth to the end of the month.

(u) "Payment standard" means the maximum monthly amount for the approved ongoing monthly certified group size.

(v) "Personal care" means assistance that is provided to an individual who needs help in performing personal daily activities, such as cooking, eating, grooming, shopping, and taking medication.

(w) "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, other financial benefits for which potential eligibility exists and which may reduce the state disability assistance program benefit.

(x) "Program group" means those individuals living together whose income and assets must be counted in determining eligibility for state disability assistance.

(y) "Provider" means an individual or agency that furnishes services to a client.

(z) "RCA" means refugee cash assistance.

(aa) "Recoupment" means the process by which the department recovers an overissuance of program benefits.

(bb) "Redetermination" means a review of continuing eligibility for state disability

assistance.

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

(dd) "Restricted payments" means mandatory payment made to an individual other than the client in the form of vendor payments or third-party payments due to a third-party resource disqualification or money mismanagement.

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

(ff) "SDA" means state disability assistance.

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

(i) An adult foster care facility.

(ii) A county infirmary.

(iii) A substance abuse treatment center.

(iv) A home for the aged.

(v) A long-term care facility.

(vi) A hospital.

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

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

(jj) "Third-party payments" mean an agency payment of a client's entire assistance benefit, without client request, to an agency or individual outside the eligible group for management of the assistance on behalf of the group.

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

(ll) "Treasury" means the department of treasury.

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

(nn) "Verification" means documentation or action taken that provides evidence establishing the accuracy of a client's verbal or written statements.

(oo) "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 for payment of the group's shelter, heat, or electricity.

(pp) "Warrant" means a written order to pay that instructs a federal, state, or county government treasurer to pay the warrant holder on demand or after a specific date.

(qq) "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.

(2) Terms defined in the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, have the same meaning when used in these rules.

History: 1998-2000 AACCS; 2015 AACCS; 2025 AACCS.

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 18 years of age or older may be authorized to represent and apply on behalf of the group.

(2) An applicant may submit an application in person, by mail, telephone, or electronically. The department must receive the original, signed application before benefits are approved.

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

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

(5) Upon receipt of an incomplete application, department 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 must be denied, or an ongoing assistance case must 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 department may conduct an official, confidential interview with a client, another responsible applicant group member, or an authorized representative. An interview must be conducted in a department local office during normal weekday office hours or by telephone.

History: 1998-2000 AACS; 2015 AACS; 2022 AACS.

R 400.3156 Verification of eligibility factors.

Rule 6. (1) A group shall provide the department 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 department 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 department.

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

History: 1998-2000 AACS; 2015 AACS.

R 400.3157 Determination of eligibility and assistance amount.

Rule 7. The department 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; 2015 AACS.

R 400.3158 Beginning of assistance benefits.

Rule 8. The department shall begin assistance benefits not earlier than the half-month pay period after the pay period that includes the application filing date and not later than 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, the department shall begin assistance benefits for the pay period in which all eligibility requirements are met.

History: 1998-2000 AACS; 2015 AACS.

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

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

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

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

(c) Cooperating with department 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 department 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; 2015 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 department 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 AACS; 2015 AACS.

R 400.3161 Mandatory vendoring or third-party payments.

Rule 11. (1) If the department 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 department shall initiate mandatory vendoring or third-party payments.

(2) The department'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 department review of the need to continue mandatory vendoring or third-party payments at least once every 6 months.

History: 1998-2000 AACs; 2015 AACs.

R 400.3162 Voluntary vendoring.

Rule 12. (1) A group may request voluntary vendoring at any time by completing a department 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 department 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 department shall cease voluntary vendor payments as soon as administratively feasible when requested in writing by a client.

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

(a) The local housing authority notifies the department 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 department shall discontinue ongoing vendoring within 5 workdays if administratively feasible.

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

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

History: 1998-2000 AACs; 2015 AACs.

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 department 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 department shall recover the amount overpaid 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 department shall recover the amount overpaid from the provider.

History: 1998-2000 AACS; 2015 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 department shall 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 timely reported. 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 not later than 10 days after the change is reported. The department 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 department, 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; 2015 AACS.

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

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

History: 1998-2000 AACS; 2015 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 Rescinded.

History: 1998-2000 AACS; 2015 AACS.

R 400.3168 Returned warrants.

Rule 18. (1) A returned warrant may be rewritten by the department 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 department by the disposition deadline for a warrant returned or delivered to the local department 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; 2015 AACS.

R 400.3169 Replacement policies for warrants and EBT thefts.

Rule 19. (1) If a group reports an unendorsed warrant lost, stolen, not received, or destroyed, the group may have the warrant replaced if all the following criteria, as appropriate, are met:

(a) The group completes a stop payment or 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, the warrant is considered

lost. If delivery cannot be verified, the warrant is considered not received. For warrants considered not received, a client or provider shall complete a stop payment or replacement request affidavit.

(c) Under any of the following circumstances, a warrant must 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) A police report was not filed on a stolen warrant.

(iv) The case is closed, or closure is pending.

(v) 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, the department shall not take action on a request to stop payment on the cashed warrant and a replacement warrant must not be issued.

(3) A warrant that is lost or stolen after endorsement must 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 that individual's signature, 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, the department shall recover the overissuance from the group.

(6) A group currently receiving ongoing FIP, RCA, or SDA may receive a replacement of its FIP, RCA, or SDA that was fraudulently removed from its EBT account. Both of the following conditions apply to a fraudulent removal from an EBT account:

(a) A group is only eligible to receive this payment 1 time in a 12-month period.

(b) Replacement funds will only be approved up to 4 times the payment standard or the amount that was fraudulently removed, whichever is less.

History: 1998-2000 AACCS; 2015 AACCS; 2025 AACCS.

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 department shall subtract the amount of the overissuance from the amount of the supplement, up to the amount of the supplement.

(3) The department shall issue a supplement promptly when verification of the need for a supplement is received by the department or when the department 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) The department shall not issue a supplement for a period before the effective date for program eligibility.

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

History: 1998-2000 AACS; 2015 AACS.

R 400.3171 Identity verification requirement.

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

History: 1998-2000 AACS; 2015 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 act 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 department 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; 2015 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 AACs.

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 AACs.

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 repayment agreement when required, then the group is ineligible for benefits.

History: 1998-2000 AACs.

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 AACs.

R 400.3178 Intentional program violation; disqualification; recoupment.

Rule 28. (1) If, in the course of an overissuance investigation, the department 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 department representatives to discuss the allegation.

(2) The department shall 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 1939 PA 280, MCL 400.60, 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) The department may conduct an intentional program violation hearing 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 department 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 department does not establish that an overpayment was the result of an intentional program violation, then the department shall recoup the overpayment as department 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 department 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 AACCS; 2015 AACCS.

R 400.3179 Benefit overissuance; collection and repayment actions.

Rule 29. (1) The department shall 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 department shall seek recoupment of benefit overissuances from any adult who was a group member when the overissuance occurred.

(3) The department shall 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 department shall reduce state disability assistance warrants by a percentage of the payment standard as follows:

(a) The department 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 department shall change the collection method to benefit reduction.

(7) A local department 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 AACCS; 2015 AACCS.

R 400.3180 Recission.

Rule 30. R 400.1121 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 AACCS.