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LEXSTAT MCLS 400.57B

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CHAPTER 400 SOCIAL SERVICES
THE SOCIAL WELFARE ACT
COUNTY DEPARTMENTS OF SOCIAL SERVICES

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MCLS § 400.57b (2007)

MCL § 400.57b

§ 400.57b. Family independence assistance; eligibility requirements generally; requirements applicable to minor parent and minor parent's child; recipient applying for supplemental security income and seeking exemption from work first program; evaluation and assessment process; audit.

Sec. 57b. (1) Subject to section 571, an individual who meets all of the following requirements is eligible for family independence assistance:

- (a) Is a member of a family or a family independence assistance group.
- (b) Is a member of a program group whose income and assets are less than the income and asset limits set by the department .
- (c) In the case of a minor parent, meets the requirements of subsection (2).
- (d) Is a United States citizen, a permanent resident alien, or a refugee.
- (e) Is a resident of this state as described in section 32.
- (f) Meets any other eligibility criterion required for the receipt of federal or state funds or determined by the department to be necessary for the accomplishment of the goals of the family independence program.

(2) A minor parent and the minor parent's child shall not receive family independence assistance unless they live in an adult-supervised household. The family independence assistance shall be paid on behalf of the minor parent and child to an adult in the adult-supervised household. Child care in conjunction with participation in education, employment readiness, training, or employment programs, which have been approved by the department , shall be provided for the minor parent's child. The minor parent and child shall live with the minor parent's parent, stepparent, or legal guardian unless the department determines that there is good cause for not requiring the minor parent and child to live with a parent, stepparent, or legal guardian. The department shall determine the circumstances that constitute good cause, based on a parent's, stepparent's, or guardian's unavailability or unwillingness or based on a reasonable belief that there is physical, sexual, or substance abuse, or domestic violence, occurring in the household, or that there is other risk to the physical or emotional health or safety of the minor parent or child. If the department determines that there is good cause for not requiring a minor parent to live with a parent, stepparent, or legal guardian, the minor parent and child shall live in another adult-supervised household. A local office director may waive the requirement set forth in this subsection with respect to a minor parent who is at least 17 years of age, attending secondary school full-time, and participating in a department service plan or a teen parenting program, if moving would require the minor parent to change schools.

(3) Beginning December 31, 2006, if a recipient who is otherwise eligible for family independence assistance under this section is currently applying for supplemental security income and seeking exemption from the work first program, the recipient shall be evaluated and assessed as provided in this section before a family self-sufficiency plan is devel-

oped under section 57e. Based on a report resulting from the evaluation and assessment, the caseworker shall make a determination and referral as follows:

- (a) A determination that the recipient is eligible to participate in work first and a referral to the work first program.
- (b) A determination that the recipient is exempt from work first participation under section 57f and a referral to a sheltered work environment or subsidized employment.
- (c) A determination that the recipient is exempt from work first participation under section 57f and a referral to a legal services organization for supplemental security income advocacy.
- (4) The department may contract with a legal services organization to assist recipients with the process for applying for supplemental security income. The department may also contract with a nonprofit rehabilitation organization to perform the evaluation and assessment described under subsection (3). If the department contracts with either a nonprofit legal or rehabilitation services organization, uniform contracts shall be used statewide that include, but are not limited to, uniform rates and performance measures.
- (5) The auditor general shall conduct an annual audit of the evaluation and assessment process required under this section and submit a report of his or her findings to the legislature.

HISTORY: Act 280, 1939, p 513; imd eff June 16, 1939.

Pub Acts 1939, No. 280, § 57b, as added by Pub Acts 1995, No. 223, eff March 28, 1996 (see 1995 note below); amended by Pub Acts 1999, No. 9, eff March 10, 2000 (see 1999 note below).

Amended by Pub Acts 2006, No. 468, imd eff December 20, 2006 (see 2006 note below).

NOTES:

Editor's notes:

Pub Acts 1995, No. 223, §§ 2, 4, eff March 28, 1996, provide:

"Section 2. The family independence program is a successor to the program of aid to families with dependent children administered under section 56 of the social welfare act, Act No. 280 of the Public Acts of 1939, being *sections 400.1 to 400.119b of the Michigan Compiled Laws*. The family independence agency may operate the aid to families with dependent children program under the federal regulations in effect on September 30, 1995 for up to 180 days after the effective date of this amendatory act and may begin to implement the family independence program on a partial basis until that time as administrative procedures are developed to administer the family independence program. Individuals who are receiving aid to families with dependent children on the effective date of this amendatory act shall continue to receive assistance under the program requirements in effect on September 30, 1995 until the family's eligibility is assessed under family independence program regulations and policies.

"Section 4. This amendatory act shall not take effect unless House Bill No. 5354 of the 88th Legislature [Pub Acts 1995, No. 224] is enacted into law."

Pub Acts 1999, No. 9, enacting § 1, eff March 10, 2000, provides:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 4090 of the 90th Legislature [Pub Acts 1999, No. 17] is enacted into law."

Pub Acts 2006, No. 468, enacting § 1, imd eff December 20, 2006, provides:

"Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

- "(a) Senate Bill No. 1500 [Pub Acts 2006, No. 470].
- "(b) Senate Bill No. 1501 [Pub Acts 2006, No. 471].
- "(c) House Bill No. 6587 [Pub Acts 2006, No. 469]."

Effect of amendment notes:

The 1999 amendment in subsection (1), introductory paragraph, substituted "Subject to section 57l, an" for "An"; and in subsection (2), inserted "based" after "unwillingness or" and "that there is" after "household, or" and added a comma after "violence" in the fifth sentence.

The 2006 amendment in subsection (1), paragraphs (b) and (f) and subsection (2), substituted "department" for "family independence agency" throughout; in subsection (2), following "service plan" deleted "of the family independence agency"; and added subsections (3)-(5).

Statutory references:

Sections 32, 57e, 57f and 57l, above referred to, are §§ 400.32, 400.57e, 400.57f and 400.57l.

LexisNexis(TM) Michigan analytical references:

Michigan Law and Practice, Aliens and Immigration § 7

CASE NOTES

I. UNDER CURRENT LAW.

1-15. [Reserved for future supplementation.]

II. UNDER FORMER SECTIONS.

16. Former § 400.56g.

I. UNDER CURRENT LAW.

1-15. [Reserved for future supplementation.]

II. UNDER FORMER SECTIONS.

16. Former § 400.56g.

An interest of an applicant for or recipient of Aid to Families With Dependent Children in real property, not marketable after good-faith efforts to sell, was not an available resources for purposes of the AFDC limitation on resources of applicants or recipients (42 USC 603 et seq.; 45 CFR 233.20). *McKee v Department of Social Services* (1985) 424 Mich 404, 381 NW2d 679.

Invalidation of the transfer-of-assets provision of the Social Welfare Act could impair the state's capacity to deal with the problem of mounting welfare costs and an increasing financial dependency of many citizens; a finding of conflict between the state and federal statutes concerning aid to dependent children could allow abuse of the aid to families with dependent children program because without the transfer-of-assets provision persons would become eligible for benefits simply by giving away or signing over control of their assets. *Pease v Director, Michigan Dep't of Social Services* (1981) 1

**DEPARTMENT
POLICY****FAP Only**

Categorically eligible groups automatically meet **asset**, gross and 100% net **income** limits for food assistance. Categorical eligibility applies to groups, **not** individuals. Group composition **must** be determined prior to determining categorical eligibility.

DEFINITION

FAP groups are categorically eligible based on enhanced authorization for Domestic Violence Prevention Services. Although applicants/recipients are authorized for this service via PUB 859, "Domestic Violence Waivers Informational Brochure", **only** households with gross income at or below 200% of the poverty level receive additional authorizations.

Exception: A group is **not** categorically eligible for FAP if **any** member of the group is FAP **disqualified** for:

- Intentional program violation (IPV),
- Child support non-cooperation,
- Trafficking,
- Parole and probation violation,
- Fugitive felons, or
- Employment-related activity.

**APPLICATION
PROCESSING**

The categorically eligible group is certified in accordance with all of the requirements for any other FAP group.

Verification

If questionable, you **must** verify that the group:

- Meets all of the group composition requirements of PEM 212.
- Includes all persons who purchase and prepare food together in one FAP group, **and**
- Includes **no** persons who have been FAP **disqualified** for IPV, non-cooperation with child support, trafficking, parole and probation violations, fugitive felons and employment related activity.

If categorically eligible, do **not** verify for FAP purposes:

- Assets [See PEM 400](#),
- That the group's income is within gross and 100% net income limits,
- Social security numbers,
- Sponsored alien information, **or**
- Residency.

Postponing Denial	Postpone the denial of benefits for a potential categorically eligible group until the 30th day if it is likely that the group will be categorically eligible.
Benefits for Previously Denied Group	<p>If the group meets FAP categorical eligibility criteria within 30 days of application, FAP eligibility is effective the date of application. If the group meets FAP categorical eligibility criteria after 30 days, the FAP eligibility is effective on the date eligibility is met.</p> <p>Update the original application from available information or through mail or phone contact with the group or authorized representative. Ask the client or authorized representative to initial any changes and sign the updated application again.</p> <p>Note: Another interview is not required unless there are significant changes or the original application is over 60 days old.</p>
ISSUING BENEFITS	<p>LOA2 and CIMS will compute net income for all categorically eligible groups.</p> <p>One and two member categorical FAP groups that exceed the gross and/or 100% net income limit, but whose gross income is at or below 200% of the poverty level are automatically eligible for a \$10 benefit amount.</p> <p>Exception: Benefits are prorated in the initial month of application.</p> <p>Three or more member categorical FAP groups that exceed the gross and/or 100% net income limit, but whose gross income is at or below 200% of the poverty level may be eligible for benefits as low as \$2 as determined by the Food Assistance Issuance Tables in Program Reference Tables (PRT), Item 260.</p> <p>A case with zero benefits cannot be opened on CIMS. Therefore, three or more member categorical FAP groups must be denied or closed if net income results in a zero benefit amount based on the Food Assistance Issuance Tables.</p>
TERMINATION OF CATEGORICAL ELIGIBILITY	When the group is no longer categorically eligible due to imposing a FAP disqualification, review all FAP eligibility requirements to determine whether the group remains eligible. Send a DHS-176 to inform the client of any change in eligibility or benefit level.
LEGAL BASE	<p>FAP</p> <p>7 CFR 273.2(j)</p>

Subject: RE: FS Cat El policy

From: "[REDACTED]" <[REDACTED]>

Date: Wed, 8 Aug 2007 13:40:53 -0400

To: <emilycollins@povertylaw.org>

Emily – I am not even seeing the boilerplate anymore... it probably was deleted because someone probably forgot why it was there. It basically just said that families with income below 200% of FPL were eligible for domestic violence prevention services. DHS offices are supposed to give out a DV pamphlet with their eligibility applications (we have a single app for MA, FS, TANF, etc) that explains the eligibility for those services. I will let you know if the other folks in my office are aware of any other legal authority for the Cat el.

[REDACTED]

From: [REDACTED]

Sent: Wednesday, August 08, 2007 1:26 PM

To: 'emilycollins@povertylaw.org'

Subject: FS Cat El policy

Emily- Link to policy:

<http://www.mfia.state.mi.us/olmweb/ex/pem/213.pdf>

I'll look for the boilerplate section—

[REDACTED]

Center for Civil Justice
320 S. Washington - 2nd Floor
Saginaw, MI 48607
(989) 755-3120
Fax (989) 755-3558

Categorical Eligibility and Food Stamps Proposed Cuts Would Hurt Working Households

What is the Proposal?

The Administration's recent budget proposals and Farm Bill proposal would dramatically restrict an option known as "**categorical eligibility.**" The administration would restrict the option so applies only to people getting cash welfare or SSI.

How does Michigan use the Categorical Eligibility Option?

This option allows Michigan to provide Food Assistance ("food stamps") to families who are *not* on welfare, but who have expenses that reduce their "net" countable income below 130% of the federal poverty limit. Over 80% of Michigan's Food Assistance recipients do not receive welfare and many of them would be affected by this proposal.

The categorical eligibility option allows Michigan to consider whether households with gross income under 200% of the federal poverty level could still qualify for food stamps after certain expenses are deducted (see below). Their net income would have to be below 130% of the federal poverty level (the same test used for people who are not working).

If the proposal passes, Michigan would lose the option to give Food Assistance to thousands of working households based on their "net income" after certain expenses (see below) are considered

Who will lose benefits?

Households that:

- Receive Food Assistance ("food stamps") and whose gross income is above 130% of the federal poverty limit, AND
- Do not include any members who are either at least age 60 or who receive federal disability benefits

What will happen if Michigan loses this option?

DHS estimates **26,000 households in Michigan** would lose Food Assistance entirely because they have income between 130% and 200% of poverty.

Thousands more would lose benefits because of non-cash assets such as a car, even if that car is needed to look for or go to work.

Impact on Michigan Families?
What expenses would no longer be deducted from "gross income" of affected households?

- **Shelter** – mortgage, rent, property taxes, utility expenses
- **Child care** - Out of pocket work-related costs (up to a capped amount)
- **Child support** – out of pocket child support paid for a child not living in the home.
- **Other** – a standard but modest deduction from gross income to account for income taxes, work expenses.

What would be the new gross income limits?

<u>Household Size</u>	<u>Gross weekly income limit if cuts are approved – 130% of Poverty (2005)</u>
1 -----	\$241* = \$6.05+ per hr @ 40 hrs per week
2-----	\$323 = \$8.08+ “ “
3-----	\$405 = \$10.13+ “ “
4-----	\$487 = \$12.18 + “ “
5-----	\$569 = \$10.35+ per hr @55 hrs per week
6-----	\$651 = \$11.84+ per hr @55 hrs per week \

For each additional person add \$82 per week

Example

Consider a family of 4 with 2 parents and 2 children.

Income: Both parents work 40 hours a week at \$6.25 per hour.

Expenses: They pay \$550 per month for rent, plus heat and electricity.

Current benefits: Currently, this family could receive \$48 per month in food stamps. They are likely to receive more if they paid for work related child care.

Benefits if option eliminated: This family would receive \$0 in food stamps because their gross income is over \$487 per week and they do not receive cash welfare benefits.

1 of 4 DOCUMENTS

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CHAPTER 400 SOCIAL SERVICES
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MCLS § 400.106 (2007)

MCL § 400.106

§ 400.106. "Medically indigent individual," "Medicaid contracted health plan," "medical institution," and "Title XVI" defined; notice of legal action; recovery of expenses by state department or medicaid contracted health plan; priority against proceeds.

Sec. 106. (1) A medically indigent individual is defined as:

(a) An individual receiving family independence program benefits or an individual receiving supplemental security income under title XVI or state supplementation under title XVI subject to limitations imposed by the director according to title XIX.

(b) Except as provided in section 106a, an individual who meets all of the following conditions:

(i) The individual has applied in the manner the family independence agency prescribes.

(ii) The individual's need for the type of medical assistance available under this act for which the individual applied has been professionally established and payment for it is not available through the legal obligation of a public or private contractor to pay or provide for the care without regard to the income or resources of the patient. The state department is subrogated to any right of recovery that a patient may have for the cost of hospitalization, pharmaceutical services, physician services, nursing services, and other medical services not to exceed the amount of funds expended by the state department for the care and treatment of the patient. The patient or other person acting in the patient's behalf shall execute and deliver an assignment of claim or other authorizations as necessary to secure the right of recovery to the department. A payment may be withheld under this act for medical assistance for an injury or disability for which the individual is entitled to medical care or reimbursement for the cost of medical care under sections 3101 to 3179 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179, or under another policy of insurance providing medical or hospital benefits, or both, for the individual unless the individual's entitlement to that medical care or reimbursement is at issue. If a payment is made, the state department, to enforce its subrogation right, may do either of the following: (a) intervene or join in an action or proceeding brought by the injured, diseased, or disabled individual, the individual's guardian, personal representative, estate, dependents, or survivors, against the third person who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled individual; (b) institute and prosecute a legal proceeding against a third person who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled individual, in state or federal court, either alone or in conjunction with the injured, diseased, or disabled individual, the individual's guardian, personal representative, estate, dependents, or survivors. The state department may institute the proceedings in its own name or in the name of the injured, diseased, or disabled individual, the individual's guardian, personal representative, estate, dependents, or survivors. As provided in section 6023 of the revised judicature act of

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1961, 1961 PA 236, MCL 600.6023, the state department, in enforcing its subrogation right, shall not satisfy a judgment against the third person's property that is exempt from levy and sale. The injured, diseased, or disabled individual may proceed in his or her own name, collecting the costs without the necessity of joining the state department or the state as a named party. The injured, diseased, or disabled individual shall notify the state department of the action or proceeding entered into upon commencement of the action or proceeding. An action taken by the state or the state department in connection with the right of recovery afforded by this section does not deny the injured, diseased, or disabled individual any part of the recovery beyond the costs expended on the individual's behalf by the state department. The costs of legal action initiated by the state shall be paid by the state. A payment shall not be made under this act for medical assistance for an injury, disease, or disability for which the individual is entitled to medical care or the cost of medical care under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941; except that payment may be made if an appropriate application for medical care or the cost of the medical care has been made under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, entitlement has not been finally determined, and an arrangement satisfactory to the state department has been made for reimbursement if the claim under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, is finally sustained.

(iii) The individual has an annual income that is below, or subject to limitations imposed by the director and because of medical expenses falls below, the protected basic maintenance level. The protected basic maintenance level for 1-person and 2-person families shall be at least 100% of the payment standards generally used to determine eligibility in the family independence program. For families of 3 or more persons, the protected basic maintenance level shall be at least 100% of the payment standard generally used to determine eligibility in the family independence program. These levels shall recognize regional variations and shall not exceed 133-1/3% of the payment standard generally used to determine eligibility in the family independence program.

(iv) The individual, if a family independence program related individual and living alone, has liquid or marketable assets of not more than \$2,000.00 in value, or, if a 2-person family, the family has liquid or marketable assets of not more than \$3,000.00 in value. The state department shall establish comparable liquid or marketable asset amounts for larger family groups. Excluded in making the determination of the value of liquid or marketable assets are the values of: the homestead; clothing; household effects; \$1,000.00 of cash surrender value of life insurance, except that if the health of the insured makes continuance of the insurance desirable, the entire cash surrender value of life insurance is excluded from consideration, up to the maximum provided or allowed by federal regulations and in accordance with state department rules; the fair market value of tangible personal property used in earning income; an amount paid as judgment or settlement for damages suffered as a result of exposure to agent orange, as defined in section 5701 of the public health code, 1978 PA 368, MCL 333.5701; and a space or plot purchased for the purposes of burial for the person. For individuals related to the title XVI program, the appropriate resource levels and property exemptions specified in title XVI shall be used.

(v) The individual is not an inmate of a public institution except as a patient in a medical institution.

(vi) The individual meets the eligibility standards for supplemental security income under title XVI or for state supplementation under the act, subject to limitations imposed by the director according to title XIX; or meets the eligibility standards for family independence program benefits; or meets the eligibility standards for optional eligibility groups under title XIX, subject to limitations imposed by the director according to title XIX.

(2) As used in this act:

(a) "Medicaid contracted health plan" means a managed care organization with whom the state department contracts to provide or arrange for the delivery of comprehensive health care services as authorized under this act.

(b) "Medical institution" means a state licensed or approved hospital, nursing home, medical care facility, psychiatric hospital, or other facility or identifiable unit of a listed institution certified as meeting established standards for a nursing home or hospital in accordance with the laws of this state.

(c) "Title XVI" means title XVI of the social security act, 42 USC 1381 to 1382j and 1383 to 1383f.

(3) An individual receiving medical assistance under this act or his or her legal counsel shall notify the state department when filing an action in which the state department may have a right to recover expenses paid under this act. If the individual is enrolled in a medicaid contracted health plan, the individual or his or her legal counsel shall provide notice to the medicaid contracted health plan in addition to providing notice to the state department.

(4) If a legal action in which the state department, a medicaid contracted health plan, or both has a right to recover expenses paid under this act is filed and settled after November 29, 2004 without notice to the state department or the medicaid contracted health plan, the state department or the medicaid contracted health plan may file a legal action against the individual or his or her legal counsel, or both, to recover expenses paid under this act. The attorney general shall recover any cost or attorney fees associated with a recovery under this subsection.

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(5) The state department has first priority against the proceeds of the net recovery from the settlement or judgment in an action settled in which notice has been provided under subsection (3). A medicaid contracted health plan has priority immediately after the state department in an action settled in which notice has been provided under subsection (3). The state department and a medicaid contracted health plan shall recover the full cost of expenses paid under this act unless the state department or the medicaid contracted health plan agrees to accept an amount less than the full amount. If the individual would recover less against the proceeds of the net recovery than the expenses paid under this act, the state department or medicaid contracted health plan, and the individual shall share equally in the proceeds of the net recovery. As used in this subsection, "net recovery" means the total settlement or judgment less the costs and fees incurred by or on behalf of the individual who obtains the settlement or judgment.

HISTORY: Act 280, 1939, p 513; imd eff June 16, 1939.

Pub Acts 1939, No. 280, § 106, as added by Pub Acts 1966, No. 321, eff September 1, 1966; amended by Pub Acts 1967, No. 289, imd eff August 1, 1967; 1970, No. 160, imd eff August 2, 1970; 1973, No. 189, imd eff January 8, 1974, by § 3 eff January 1, 1974; 1976, No. 284, imd eff October 20, 1976; 1978, No. 623, imd eff January 6, 1979; 1982, No. 405, eff March 30, 1983; 1990, No. 145, imd eff June 27, 1990.

Amended by Pub Acts 2003, No. 33, imd eff July 2, 2003 (see 2003 note below); 2004, No. 409, imd eff November 29, 2004; 2006, No. 144, imd eff May 22, 2006.

NOTES:

Editor's notes:

Pub Acts 1966, No. 321, § 2, eff September 1, 1966, provides:

"Section 2. After August 31, 1966, no medical or dental service shall be commenced under Act No. 2 of the Public Acts of the First Extra Session of 1960, as amended, being *sections 400.361 to 400.371* of the Compiled Laws of 1948, or under section 66a of Act No. 280 of the Public Acts of 1939, as amended, being *section 400.66a* of the Compiled Laws of 1948, for recipients of old age assistance, aid to dependent children, aid to the blind or aid to the permanently and totally disabled."

Pub Acts 2003, No. 33, enacting § 1, imd eff July 2, 2003, provides:

"Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 22 of the 92nd Legislature [Pub Acts 2003, No. 32] is enacted into law."

Effect of amendment notes:

The 2003 amendment revised this section to the extent that a detailed comparison would be impracticable.

The 2004 amendment in subsection (1), in paragraph (b) in subparagraph (ii) inserted "state" following "expended by the" and substituted "individual" for "patient" and "person" throughout and substituted "individual's" for "patient's" or "person's" throughout; in subsection (2) added paragraph (a), redesignated former paragraphs (a) and (b) as (b) and (c), and in paragraph (c) substituted "42 USC" for "chapter 531, 49 Stat. 620, 42 U.S.C." following "social security act,"; and added subsections (3)-(5).

The 2006 amendment revised subsection (1), paragraph (b), subparagraph (iii) from one which read: "The individual has an annual income that is below, or because of medical expenses falls below, the protected basic maintenance level. The protected basic maintenance level for 1-person and 2-person families shall be at least 100% of the higher of the payment standards generally used to determine eligibility in the family independence program and the supplemental security income program under title XVI, including state supplementation. For families of 3 or more persons, the protected basic maintenance level shall be at least 100% of the payment standard generally used to determine eligibility in the family independence program. These levels shall recognize regional variations and shall not exceed 133-1/3% of the payment standard generally used to determine eligibility in the family independence program."; in subsection (1), paragraph (b), subparagraph (iv), preceding "shall establish" substituted "state department" for "family independence agency", following "accordance with" substituted "state department" for "the", following "rules" substituted a semicolon for "of the family independence agency;"; revised subsection (1), paragraph (b), subparagraph (vi) from one which read: "The individual meets the eligibility standards for supplemental security income under title XVI or for state supplementation under the act, subject to limitations imposed by the director according to title XIX; or meets the eligibility standards for family independence program benefits, except for income or income and resources; or is a child from 18 to 21 years of age and his or her adult caretaker would be eligible for family independence program benefits except for age,

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income, or income and resources; or is a child under 21 years of age and is from a family whose income is below the basic maintenance level."; in subsection (3) following "notice to the" inserted "medicaid"; and in subsection (4), following "settled after" substituted "November 29, 2004" for "the date of the amendatory act that added this subsection".

Statutory references:

Section 106a, above referred to, is § 400.106a.

Federal Aspects:

Supplemental Security Income for the Aged, Blind, and Disabled. 42 USCS §§ 1381, 1382.
Grants to States for Medical Assistance Programs. 42 USCS §§ 1396 et seq.

LexisNexis(TM) Michigan analytical references:

Michigan Law and Practice, Public Health and Welfare § 44
Midwest Transaction Guide, Chapter 215, Nursing Homes and Other Care Facilities

ALR notes:

Collateral source rule: Injured person's hospitalization or medical insurance as affecting damages recoverable, 77 ALR3d 415.

Validity and construction of no-fault insurance plans providing for reduction of benefits otherwise payable by amounts receivable from independent collateral sources, 10 ALR4th 996.

Eligibility for welfare benefits, under maximum-assets limitations, as affected by expenditures or disposal of assets, 19 ALR4th 146.

Validity of state statutes and regulations limiting or restricting public funding for abortions sought by indigent women, 20 ALR4th 1166.

Validity of statutes or regulations denying welfare benefits to claimants who transfer property for less than its full value, 24 ALR4th 215.

Research references:

1 Am Jur 2d, Abortion § 1.5
70 Am Jur 2d, Social Security and Medicare §§ 74-93
79 Am Jur 2d, Welfare Laws §§ 72.5, 72.6

Legal periodicals:

Shartsis, Casey and Abortion Rights in Michigan, 10 T M Cooley L Rev 313 (1993).
Turnham, Medicaid spousal impoverishment: An introduction, 69 Mich BJ 522 (1990).
Wells-Stevens, Health care for indigent American Indians, 20 Ariz S Ct LJ 1105 (1988).

CASE NOTES

1. Construction and effect.
2. Emergency medical expenses.
3. Subrogation.

1. Construction and effect.

Personal injury protection insurance benefits payable under no-fault insurance act constitute medical assistance available through legal obligation of insurance contractor to pay or provide for care without regard to income or resources of claimant so as to come within meaning of Social Welfare Act excluding persons entitled to such assistance from definition of medical indigents qualifying for state medicaid benefits, and accordingly, claimant who was entitled to no-fault personal protection insurance benefits could have no right to state medicaid benefits as would render them deductible under no-fault act as benefits provided or required to be provided under laws of state or federal government. *Workman v Detroit Auto. Inter-Insurance Exchange* (1979) 404 Mich 477, 274 NW2d 373.

Medicaid payments provided plaintiff pending disposition of her claim for personal injury protection benefits under no-fault insurance act were not subject to set-off and did not constitute benefits provided or required to be provided by under laws of state or federal government within meaning of statute requiring set-off thereof as against amount of per-

sonal protection benefits otherwise payable under no-fault act, where plaintiff was not medically indigent person eligible for medicaid benefits and department of social services has statutory right of subrogation or reimbursement from plaintiff to extent of benefits paid. *Workman v Detroit Auto. Inter-Insurance Exchange (1979) 404 Mich 477, 274 NW2d 373.*

A person entitled to no-fault personal protection insurance benefits for an injury caused by an automobile is not medically indigent for purposes of the Social Welfare Act and therefore is not entitled to Medicaid assistance. *Johnson v Michigan Mut. Ins. Co. (1989) 180 Mich App 314, 446 NW2d 899, app den (1990) 434 Mich 906.*

2. Emergency medical expenses.

Denial by department of social services of claimant migrant worker's application for emergency assistance benefits for medical expenses incurred by injured child, on ground that claimant's wages were above level qualifying for benefits, would be reversed by reviewing court for lack of competent, material, and substantial evidentiary support on whole record disclosing that, although examiner found wages attributed to claimant by department were in fact earned by three to five workers in claimant's family, some of whose income was statutorily required to be disregarded as earned by children under 14 years of age while full-time students living at home, examiner failed to determine whether such mandatory "disregards" would in fact reduce claimant's wages to level as would qualify him for emergency assistance. *Lopez v Michigan Dep't of Social Services (1977) 76 Mich App 505, 257 NW2d 143.*

3. Subrogation.

Under *MCLS § 400.106(1)(b)(ii)*, Medicaid can enforce a subrogation right by intervening in a lawsuit or by filing its own lawsuit against the allegedly negligent parties or against contractors that may be liable to pay for medical care. *Estate of Shinholster v Annapolis Hosp. (2003) 255 Mich App 339, 660 NW2d 361.*

A health care provider that has received Medicaid payments for medical services provided to a patient who suffered injuries in an automobile accident may seek from the patient's no-fault insurer reimbursement of any reasonable charges for services that Medicaid did not pay, even though in the absence of insurance benefits the provider would have had to accept the Medicaid payment as payment in full; the statutory right of subrogation of the state extends only to the amount of the Medicaid payments and does not automatically foreclose other claims. *Botsford General Hosp. v Citizens Ins. Co. (1992) 195 Mich App 127, 489 NW2d 137, app den (1993) 441 Mich 912, 496 NW2d 293.*

The department of social services may not seek reimbursement as a subrogee for anticipated but unpaid Medicaid benefits covering expenses to be incurred in the future. *Morrow v Shah (1989) 181 Mich App 742, 450 NW2d 96.*

The state has a right of subrogation to any right of recovery which a medically indigent individual may have for medical expenses; this right of subrogation is limited to the amount of funds expended by the state for the patient's care. *Hartman v Insurance Co. of North America (1981) 106 Mich App 731, 308 NW2d 625.*

The state has the authority to enforce its right of subrogation to a medically indigent individual's right of recovery for medical expenses by intervening or joining in an action or proceeding brought against a party who may be liable for the injury. *Hartman v Insurance Co. of North America (1981) 106 Mich App 731, 308 NW2d 625.*

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CHAPTER 400 SOCIAL SERVICES
THE SOCIAL WELFARE ACT
COUNTY DEPARTMENTS OF SOCIAL SERVICES

Go to the Michigan Code Archive Directory

MCLS § 400.106a (2007)

MCL § 400.106a

§ 400.106a. Short title; medical assistance to individuals with earned income; establishment of program; limitation; eligibility; premium; report of earned income changes; report to governor; waiver; definitions.

Sec. 106a. (1) This section shall be known and may be cited as the "Michigan freedom to work for individuals with disabilities law".

(2) The department of community health shall establish a program to provide medical assistance to individuals who have earned income and who meet all of the following eligibility criteria:

(a) The individual has been found to be disabled under the federal supplemental security income program or the social security disability income program, or would be found to be disabled except for earnings in excess of the substantial gainful activity level as established by the United States social security administration.

(b) The individual is at least 16 years of age and younger than 65 years of age.

(c) The individual has an unearned income level of not more than 100% of the current federal poverty guidelines.

(d) The individual is a current medical assistance recipient under section 106 or meets income, asset, and eligibility requirements for the medical assistance program under section 106.

(e) The individual is employed on a regular and continuing basis.

(3) The program is limited to the medical assistance services made available to recipients under the medical assistance program administered under section 105 and does not include personal assistance services in the workplace.

(4) Without losing eligibility for medical assistance, an individual who qualifies for and is enrolled under this program is permitted to do all of the following:

(a) Accumulate personal savings and assets not to exceed \$75,000.00.

(b) Accumulate unlimited retirement and individual retirement accounts.

(c) Have temporary breaks in employment that do not exceed 24 months if the temporary breaks are the result of an involuntary layoff or are determined to be medically necessary.

(d) Work and have income that exceeds the amount permitted under section 106, but shall not have unearned income that exceeds 100% of the federal poverty guidelines.

(5) The department of community health shall establish a premium that is based on earned income for individuals enrolled in the program subject to all of the following provisions:

(a) The premium shall be based on the enrolled individual's annualized earned income above 250% of the current federal poverty guidelines for a family of 1.

(b) Individuals with an earned income of between 250% of the federal poverty guidelines for a family of 1 and \$75,000.00 shall pay a sliding fee scale premium starting at \$600.00 annually and increasing to 100% of the average

MCLS § 400.106a

medical assistance recipient cost as determined by the department of community health for individuals with annual income of \$75,000.00 or more.

(c) The premium sliding fee scale shall have no more than 5 tiers.

(d) The premium for an enrolled individual shall generally be assessed on an annual basis based on the annual return required to be filed under the internal revenue code of 1986 or other evidence of earned income and shall be payable on a monthly basis. The premium shall be adjusted during the year when a change in an enrolled individual's rate of annual income moves the individual to a different premium tier.

(6) An enrolled individual has an affirmative duty to report earned income changes that would result in a different premium within 30 days to the department of community health.

(7) The department of community health shall report to the governor and the legislature within 2 years of the effective date of the amendatory act that added this section regarding all of the following:

(a) The effectiveness of the program in achieving its purposes.

(b) The number of individuals enrolled in the program.

(c) The costs and benefits of the program.

(d) The opportunities and projected costs of expanding the program to working individuals with disabilities who are not currently eligible for the program.

(e) Additional services that should be covered under the program to assist working individuals with disabilities in obtaining and maintaining employment.

(8) If the terms of this section are inconsistent with federal regulations governing federal financial participation in the medical assistance program, the department of community health may to the extent necessary waive any requirement set forth in subsections (1) to (5).

(9) The program established in this section shall be implemented on or before January 1, 2004.

(10) As used in this section:

(a) "Earned income" and "unearned income" mean those terms as used by the family independence agency in determining eligibility for the medical assistance program administered under this act.

(b) "Federal poverty guidelines" means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under section 673(2) of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902.

HISTORY: Act 280, 1939, p 513; imd eff June 16, 1939.

Pub Acts 1939, No. 280, § 106a, as added by Pub Acts 2003, No. 32, imd eff July 2, 2003 (see 2003 note below).

NOTES:

Editor's notes:

Pub Acts 2003, No. 32, enacting § 1, imd eff July 2, 2003, provides:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 4270 of the 92nd Legislature [Pub Acts 2003, No. 33] is enacted into law."

Statutory references:

Sections 105 and 106, above referred to, are §§ 400.105 and 400.106.

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CHAPTER 400 SOCIAL SERVICES
THE SOCIAL WELFARE ACT
COUNTY DEPARTMENTS OF SOCIAL SERVICES

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MCLS § 400.112b (2007)

MCL § 400.112b

§ 400.112b. Definitions.

Sec. 112b. As used in this section and sections 112c to 112e:

(a) "Asset disregard" means, with regard to the state's medical assistance program, disregarding any assets or resources in an amount equal to the insurance benefit payments that are made to or on behalf of an individual who is a beneficiary under a qualified long-term care insurance partnership policy.

(b) "Long-term care insurance policy" means a policy described in chapter 39 of the insurance code of 1956, *1956 PA 218, MCL 500.3901 to 500.3955*.

(c) "Long-term care partnership program" means a qualified state long-term care insurance partnership as defined in section 1917(b) of the social security act, *42 USC 1396p*.

(d) "Long-term care partnership program policy" means a qualified long-term care insurance policy that the commissioner of the office of financial and insurance services certifies as meeting the requirements of section 1917(b) of the social security act, *42 USC 1396p*, section 6021 of the federal deficit reduction act of 2005, Public Law 109-171, and any applicable federal regulations or guidelines.

(e) "Medicaid" means the program of medical assistance established by the department of community health under section 105.

HISTORY: Act 280, 1939, p 513; imd eff June 16, 1939.

Pub Acts 1939, No. 280, § 112b, as added by Pub Acts 1995, No. 85, imd eff June 20, 1995.

Amended by Pub Acts 2006, No. 674, imd eff January 10, 2007.

NOTES:

Effect of amendment notes:

The 2006 amendment deleted former paragraph (a) which read: " 'Home health care' means care described in section 109c."; added paragraphs (a), (c) and (d); revised paragraph (b) from one which read: " 'Long-term care insurance policy' means a policy described in chapter 39 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.3901 to 500.3955 of the Michigan Compiled Laws."; redesignated and revised former paragraph (c) as (e)

MCLS § 400.112b

from text which read: " 'Medicaid' means the program of medical assistance established by the department under section 105."; deleted former paragraph (d) which read: "Nursing home care' means nursing home services as described in section 109(1)(c)."; deleted former paragraph (e) which read: " 'Partnership policy" means a long-term care insurance policy that meets the requirements set forth in section 112d."; and deleted paragraph (f) which read: " 'Partnership program' means the Michigan partnership for long-term care program established under section 112c."

Statutory references:

Sections 105 and 112c to 112e, above referred to, are §§ *400.105* and *400.112c-400.112e*.

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CHAPTER 400 SOCIAL SERVICES
THE SOCIAL WELFARE ACT
COUNTY DEPARTMENTS OF SOCIAL SERVICES

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MCLS § 400.112c (2007)

MCL § 400.112c

§ 400.112c. Michigan long-term care partnership program; establishment; purpose; eligibility; reciprocal agreements; consideration of assets; receipt of asset disregard; single point of entry agencies; notice of policy provisions; posting certain information.

Sec. 112c. (1) Subject to subsection (5) , the department of community health in conjunction with the office of financial and insurance services and the department of human services shall establish a long-term care partnership program in Michigan to provide for the financing of long-term care through a combination of private insurance and medicaid. It is the intent of the long-term care partnership program to do all of the following:

- (a) Provide incentives for individuals to insure against the costs of providing for their long-term care needs.
- (b) Provide a mechanism for individuals to qualify for coverage of the cost of their long-term care needs under medicaid without first being required to substantially exhaust their resources.
- (c) Alleviate the financial burden on the state's medical assistance program by encouraging the pursuit of private initiatives.
- (2) An individual who is a beneficiary of a Michigan long-term care partnership program policy is eligible for assistance under the state's medical assistance program using the asset disregard as provided under subsection (5).
- (3) The department of community health shall pursue reciprocal agreements with other states to extend the asset disregard to Michigan residents who purchased long-term care partnership policies in other states that are compliant with title VI, section 6021 of the federal deficit reduction act of 2005, Public Law 109-171, and any applicable federal regulations or guidelines.
- (4) Upon diminishment of assets below the anticipated remaining benefits under a long-term care partnership program policy, certain assets of an individual, as provided under subsection (5), shall not be considered when determining any of the following:
 - (a) Medicaid eligibility.
 - (b) The amount of any medicaid payment.
 - (c) Any subsequent recovery by the state of a payment for medical services or long-term care services.
- (5) Not later than 270 days after the effective date of the amendatory act that added this subsection, the department of community health shall apply to the United States department of health and human services for an amendment to the state's medicaid state plan to establish that the assets an individual owns and may retain under medicaid and still qualify for benefits under medicaid at the time the individual applies for benefits is increased dollar-for-dollar for each dollar paid out under the individual's long-term care insurance policy if the individual is a beneficiary of a qualified long-term care partnership program policy.

MCLS § 400.112c

(6) If the long-term care partnership program is discontinued, an individual who purchased a Michigan long-term care partnership program policy before the date the program was discontinued shall be eligible to receive asset disregard if allowed as provided by title VI, section 6021 of the federal deficit reduction act of 2005, Public Law 109-171.

(7) The department of community health shall contract with the Michigan medicare medicaid assistance program or department of community health designated single point of entry agencies, or both, to provide counseling services under the Michigan long-term care partnership program.

(8) The department of community health, in consultation with the department of human services and the office of financial and insurance services, shall develop a notice to consumers detailing in plain language the pertinent provisions of qualified state long-term care insurance partnership policies as they relate to medicaid eligibility and shall determine the appropriate distribution of the notice. The notice shall be available in a printable form on the office of financial and insurance services's website.

(9) The department, the department of community health, and the office of financial and insurance services shall post, on their respective websites, information on how to access the national clearinghouse established under the federal deficit reduction act of 2005, Public Law 109-171, when the national clearinghouse becomes available to consumers.

HISTORY: Act 280, 1939, p 513; imd eff June 16, 1939.

Pub Acts 1939, No. 280, § 112c, as added by Pub Acts 1995, No. 85, imd eff June 20, 1995.

Amended by Pub Acts 2006, No. 674, imd eff January 10, 2007.

NOTES:

Effect of amendment notes:

The 2006 amendment revised subsection (1) from one which read: "Subject to subsection (4), the department shall establish the Michigan partnership for long-term care program to provide for the financing of long-term care through a combination of private insurance and medicaid."; deleted former subsections (2)-(5); and added subsections (2)-(9).

Act No. 144
Public Acts of 2006
Approved by the Governor
May 22, 2006
Filed with the Secretary of State
May 22, 2006
EFFECTIVE DATE: May 22, 2006

STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006

Introduced by Senator Emerson

ENROLLED SENATE BILL No. 838

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," by amending sections 106 and 107 (MCL 400.106 and 400.107), section 106 as amended by 2004 PA 409.

The People of the State of Michigan enact:

Sec. 106. (1) A medically indigent individual is defined as:

(a) An individual receiving family independence program benefits or an individual receiving supplemental security income under title XVI or state supplementation under title XVI subject to limitations imposed by the director according to title XIX.

(b) Except as provided in section 106a, an individual who meets all of the following conditions:

(i) The individual has applied in the manner the family independence agency prescribes.

(ii) The individual's need for the type of medical assistance available under this act for which the individual applied has been professionally established and payment for it is not available through the legal obligation of a public or private contractor to pay or provide for the care without regard to the income or resources of the patient. The state department is subrogated to any right of recovery that a patient may have for the cost of hospitalization, pharmaceutical services, physician services, nursing services, and other medical services not to exceed the amount of funds expended by the state department for the care and treatment of the patient. The patient or other person acting in the patient's behalf shall execute and deliver an assignment of claim or other authorizations as necessary to secure the right of recovery to the department. A payment may be withheld under this act for medical assistance for an injury or disability for which the individual is entitled to medical care or reimbursement for the cost of medical care under sections 3101 to 3179 of

the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179, or under another policy of insurance providing medical or hospital benefits, or both, for the individual unless the individual's entitlement to that medical care or reimbursement is at issue. If a payment is made, the state department, to enforce its subrogation right, may do either of the following: (a) intervene or join in an action or proceeding brought by the injured, diseased, or disabled individual, the individual's guardian, personal representative, estate, dependents, or survivors, against the third person who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled individual; (b) institute and prosecute a legal proceeding against a third person who may be liable for the injury, disease, or disability, or against contractors, public or private, who may be liable to pay or provide medical care and services rendered to an injured, diseased, or disabled individual, in state or federal court, either alone or in conjunction with the injured, diseased, or disabled individual, the individual's guardian, personal representative, estate, dependents, or survivors. The state department may institute the proceedings in its own name or in the name of the injured, diseased, or disabled individual, the individual's guardian, personal representative, estate, dependents, or survivors. As provided in section 6023 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6023, the state department, in enforcing its subrogation right, shall not satisfy a judgment against the third person's property that is exempt from levy and sale. The injured, diseased, or disabled individual may proceed in his or her own name, collecting the costs without the necessity of joining the state department or the state as a named party. The injured, diseased, or disabled individual shall notify the state department of the action or proceeding entered into upon commencement of the action or proceeding. An action taken by the state or the state department in connection with the right of recovery afforded by this section does not deny the injured, diseased, or disabled individual any part of the recovery beyond the costs expended on the individual's behalf by the state department. The costs of legal action initiated by the state shall be paid by the state. A payment shall not be made under this act for medical assistance for an injury, disease, or disability for which the individual is entitled to medical care or the cost of medical care under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941; except that payment may be made if an appropriate application for medical care or the cost of the medical care has been made under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, entitlement has not been finally determined, and an arrangement satisfactory to the state department has been made for reimbursement if the claim under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, is finally sustained.

(iii) The individual has an annual income that is below, or subject to limitations imposed by the director and because of medical expenses falls below, the protected basic maintenance level. The protected basic maintenance level for 1-person and 2-person families shall be at least 100% of the payment standards generally used to determine eligibility in the family independence program. For families of 3 or more persons, the protected basic maintenance level shall be at least 100% of the payment standard generally used to determine eligibility in the family independence program. These levels shall recognize regional variations and shall not exceed 133-1/3% of the payment standard generally used to determine eligibility in the family independence program.

(iv) The individual, if a family independence program related individual and living alone, has liquid or marketable assets of not more than \$2,000.00 in value, or, if a 2-person family, the family has liquid or marketable assets of not more than \$3,000.00 in value. The state department shall establish comparable liquid or marketable asset amounts for larger family groups. Excluded in making the determination of the value of liquid or marketable assets are the values of: the homestead; clothing; household effects; \$1,000.00 of cash surrender value of life insurance, except that if the health of the insured makes continuance of the insurance desirable, the entire cash surrender value of life insurance is excluded from consideration, up to the maximum provided or allowed by federal regulations and in accordance with state department rules; the fair market value of tangible personal property used in earning income; an amount paid as judgment or settlement for damages suffered as a result of exposure to agent orange, as defined in section 5701 of the public health code, 1978 PA 368, MCL 333.5701; and a space or plot purchased for the purposes of burial for the person. For individuals related to the title XVI program, the appropriate resource levels and property exemptions specified in title XVI shall be used.

(v) The individual is not an inmate of a public institution except as a patient in a medical institution.

(vi) The individual meets the eligibility standards for supplemental security income under title XVI or for state supplementation under the act, subject to limitations imposed by the director according to title XIX; or meets the eligibility standards for family independence program benefits; or meets the eligibility standards for optional eligibility groups under title XIX, subject to limitations imposed by the director according to title XIX.

(2) As used in this act:

(a) "Medicaid contracted health plan" means a managed care organization with whom the state department contracts to provide or arrange for the delivery of comprehensive health care services as authorized under this act.

(b) "Medical institution" means a state licensed or approved hospital, nursing home, medical care facility, psychiatric hospital, or other facility or identifiable unit of a listed institution certified as meeting established standards for a nursing home or hospital in accordance with the laws of this state.

(c) "Title XVI" means title XVI of the social security act, 42 USC 1381 to 1382j and 1383 to 1383f.

(3) An individual receiving medical assistance under this act or his or her legal counsel shall notify the state department when filing an action in which the state department may have a right to recover expenses paid under this act. If the individual is enrolled in a medicaid contracted health plan, the individual or his or her legal counsel shall provide notice to the medicaid contracted health plan in addition to providing notice to the state department.

(4) If a legal action in which the state department, a medicaid contracted health plan, or both has a right to recover expenses paid under this act is filed and settled after November 29, 2004 without notice to the state department or the medicaid contracted health plan, the state department or the medicaid contracted health plan may file a legal action against the individual or his or her legal counsel, or both, to recover expenses paid under this act. The attorney general shall recover any cost or attorney fees associated with a recovery under this subsection.

(5) The state department has first priority against the proceeds of the net recovery from the settlement or judgment in an action settled in which notice has been provided under subsection (3). A medicaid contracted health plan has priority immediately after the state department in an action settled in which notice has been provided under subsection (3). The state department and a medicaid contracted health plan shall recover the full cost of expenses paid under this act unless the state department or the medicaid contracted health plan agrees to accept an amount less than the full amount. If the individual would recover less against the proceeds of the net recovery than the expenses paid under this act, the state department or medicaid contracted health plan, and the individual shall share equally in the proceeds of the net recovery. As used in this subsection, "net recovery" means the total settlement or judgment less the costs and fees incurred by or on behalf of the individual who obtains the settlement or judgment.

Sec. 107. In establishing financial eligibility for the medically indigent as defined in section 106, income shall be disregarded in accordance with standards established for the related categorical assistance program. For medical assistance only, income shall include the amount of contribution that an estranged spouse or parent for a minor child is making to the applicant according to the standards of the state department, or according to a court determination, if there is a court determination. Nothing in this section eliminates the responsibility of support established in section 76 for cash assistance received under this act.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Jay E. Randall

Clerk of the House of Representatives

Approved

.....
Governor

Legislative Analysis



MEDICAID ELIGIBILITY

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Phone: (517) 373-8080
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Senate Bill 838

Sponsor: Sen. Bob Emerson

Committee: Appropriations

Complete to 2-22-06

A SUMMARY OF SENATE BILL 838 AS PASSED BY THE SENATE 2-15-06

Senate Bill 838 would amend the Social Welfare Act by eliminating the provision that defines caretaker relatives and 19 and 20 year-olds who meet certain requirements as medically indigent, and therefore, categorically eligible for Medicaid. The bill replaces references to categorical Medicaid eligibility for 19 and 20 year-olds, and caretaker relatives with language that eligibility would be subject to Title XIX eligibility standards for optional groups, subject to limitations imposed by the Director according to Title XIX.

Under federal Medicaid law there are certain population groups that states are required to include in their Medicaid programs in order to qualify for federal matching funds. In addition, the federal government also provides matching funds to states that elect to provide coverage for certain other populations beyond those that are mandated.

Michigan currently provides Medicaid coverage to 19 and 20 year-olds at or below 50% of the federal poverty level and to Medicaid caretaker relatives, both of which are optional groups. Caretaker relatives include individuals who care for children who are not their own, but are related to, and whose income is low enough to meet the cash welfare assets and income standards. There are approximately 13,000 individuals that make up the 19 and 20 year-old optional group and 42,700 caretaker relative eligibles.

The FY 2005-06 Department of Community Health budget, as passed by the Legislature, assumes savings to be generated by freezing enrollment for 19 and 20 year-olds and by limiting benefit coverage for both 19 and 20 year-olds and caretaker relatives. In June 2005 DCH staff submitted a waiver to the federal government seeking to limit benefits for these two groups. To date this waiver has not yet been approved.


FISCAL IMPACT: Savings of \$11.4 million Gross (\$4.9 million GF/GP) were assumed with passage of the FY 2005-06 DCH budget due to implementation of an enrollment freeze for 19 and 20 year-olds and reduced coverage for both the 19 and 20 year-olds as well as the caretaker relative populations. The potential savings for FY 2005-06 are dependent on when the waiver is approved.

Fiscal Analyst: Steve Stauff
Bill Fairgrieve

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 838 (as reported without amendment)
Sponsor: Senator Bob Emerson
Committee: Appropriations

(as enrolled)

CONTENT

States have the option of providing Medicaid coverage to 19- and 20-year-olds who have incomes that meet the Federal cash welfare or Supplemental Security Income assets and income standards. Individuals aged 21 and older are categorically eligible for Medicaid only if they are disabled or if they are parents of minor children and meet the cash welfare assets and income standards.

States also have the option of covering a group generally known as Medicaid caretaker relatives. These are individuals, often grandparents, aunts, or uncles, who care for children who are not their own and whose income is low enough to meet the cash welfare assets and income standards.

Michigan has opted to cover both eligibility categories in the State's Medicaid program, and explicitly refers to these two groups' eligibility in the Social Welfare Act. It is estimated that about 9,000 individuals are eligible in the 19- to 20-year-old group and that about 40,000 individuals are eligible as caretaker relatives.

As a general rule, Federal law has required states to provide full benefits to any optional group a state chooses to cover in its Medicaid program. In recent years, waivers have been granted to states that have proposed providing more limited benefits to optional Medicaid eligibility groups.

The FY 2005-06 Department of Community Health (DCH) appropriation includes provisions directing that the State seek a waiver to change the benefit structure for 19- to 20-year-olds and caretaker relatives. Enrollment for 19- to 20-year-olds would be frozen, so no new people could enter the program (which would have the effect of phasing out coverage over the next two years). Benefits would be limited for both groups, with limits on payments for inpatient hospital days, limits on prescriptions, and limits on services.

Senate Bill 838 would change the Social Welfare Act to allow for flexibility in Medicaid coverage for 19- and 20-year-old individuals as well as caretaker relatives. This would enable the State to seek and implement a waiver of Federal regulations to limit benefits for these groups.

The bill would replace the references to categorical eligibility for these two groups with a statement that eligibility would be subject to Title XIX of the Social Security Act, subject to limitations imposed by the Department Director. This would allow implementation of limited benefits if a Federal waiver were granted pursuant to Title XIX.

MCL 400.106 & 400.107

FISCAL IMPACT

The FY 2005-06 DCH budget assumes net savings of \$11.0 million Gross and \$4.8 million GF/GP from implementation of an enrollment freeze and limited benefits for 19- and 20-year-olds who are Medicaid eligible. The amount assumed in the budget appears to be a realistic estimate of the potential savings.

Date Completed: 2-13-06

Fiscal Analyst: Steve Angelotti

SAS\S0506\sb838sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

Issue Alert - 06-04-07

Date: 04/10/2006

Program Area: Medicaid (MA)

Issue Summary: Individuals who receive Medicaid under the "Caretaker Relative" or "Under 21" eligibility categories must meet an asset test beginning May 1, 2006

Persons Affected: Parents and kinship caregivers who receive Medicaid as Caretaker Relatives; 19 and 20-year olds who receive Medicaid because they are Under 21.

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Background

In the Fiscal Year 2006 Appropriations Act for the Department of Community Health (DCH), the legislature required DCH to impose an asset test for the Caretaker Relative (G2C) and Under 21 (G2U) Medicaid categories. 2005 Public Act 154, section 1731(1).

There are about 48,000 Medicaid recipients in these categories.

Both of these categories are "medically needy" or "Group 2" categories, which means that individuals may qualify for coverage under the categories either by having income below the income limit for their group size, or by meeting a deductible (formerly known as a spenddown) in the month for which they seek coverage.

Income and asset eligibility for the Caretaker Relative and Under 21 categories is based on the income and assets of the applicant/recipient and the applicant/recipient's spouse if they are living together. Income and assets of the applicant/recipient's children are not

considered. A portion of the income of the applicant/recipient (and spouse, if applicable) is excluded through pro-rating if the applicant/recipient has minor children in the home, or if the caregiver relative for minor children in the home.

Healthy Kids Medicaid categories and Medicaid for pregnant women are now the only Medicaid eligibility categories that do not have asset tests.

What's Happening?

Beginning May 1, 2006, Medicaid recipients must have less than \$3,000 in "cash assets" in order to qualify for Medicaid under the Caretaker Relative or Under 21 Medicaid eligibility categories. This is the same asset test as is used for the Low Income Family (LIF) Medicaid category and the Family Independence Program (FIP).

Notices were sent on March 15, 2006 to all Medicaid recipients who are receiving Medicaid in these categories, requiring the recipients to complete and return an Asset verification form along with verification of the current value of any cash assets, by April 10, 2006. DHS workers have been authorized to work overtime to review asset eligibility for these cases by May 31, 2006. Workers have been instructed to resolve any discrepancies between the information disclosed on the Asset Verification form and the information contained on the recipient's 1171 Assistance Application form. Negative action notices will be sent to any recipients who are determined to be ineligible for Medicaid because of the asset test.

Individuals who have a deductible that they must meet in order to receive coverage under these categories received a notice explaining the new asset limit. They must report and verify assets when they submit proof that they have met their deductible.

Cash assets include bank accounts, stocks and bonds, mutual funds, Certificates of Deposit, etc. They also include IRAs, 401k Plans, and other retirement accounts that can be cashed out, even if there is a penalty for early withdrawal. Burial plans and funeral contracts also are considered cash assets if the recipient is able to access the funds. For a full description of countable cash assets, see the Department of Human Services (DHS) Program Eligibility Manual (PEM) Item 400. DHS's Program Policy Bulletins and Manuals are available online at <http://www.mfia.state.mi.us/olmweb/ex/htm> [<http://www.mfia.state.mi.us/olmweb/ex/htm>] or by using the "Quick Link" at www.mplp.org [<http://www.mplp.org/>].

For Medicaid, individuals meet the asset test if the countable assets for their group are below the limit on ANY day during the month. See PEM 400.

DHS must consider the recipient's eligibility for other Medicaid categories (such as Healthy Kids Medicaid or Medicaid for pregnant women) before closing the Medicaid case based on excess assets.

DHS should consider the LIF category for individuals who were placed on Caretaker Relative Medicaid because they did not provide verification of assets in the past. Both the LIF and Caretaker Relative categories now have a \$3,000 cash asset limit, but the methodology for determining income eligibility for the two categories is different. LIF is a better category for many families because it allows the family to receive 12 months of Transitional Medicaid (TMA) if the family has earned income and becomes ineligible for LIF due to excess income.

What Should Advocates Do?

Be aware of the policy change and encourage clients to seek legal advice if they have questions or concerns about how the policy will affect them.

Advise clients who believe they have been wrongfully terminated to request a hearing immediately in order to keep Medicaid during the administrative appeal process. If the recipient wants to keep Medicaid pending the outcome of the hearing, DHS must receive an original (not faxed or copied) signed hearing request from the recipient before the date indicated on the notice (12 days from the date the notice was issued).

What Should Clients Do?

Request a hearing immediately if you believe your Medicaid should continue because:

(1) Your available cash assets do not total more than \$3,000, or were below \$3,000 for at least one day in the month for which you are being terminated.

(2) You are pregnant or are age 19 or younger.

If you want to keep Medicaid pending the outcome of the hearing, DHS must receive an original (not faxed or copied) signed hearing request from you before the date indicated on the notice (12 days from the date the notice was issued).

Seek legal advice if you are requesting a hearing.

Seek legal advice if your cash assets are over the \$3,000 limit.

Finding Help

Most legal aid and legal services offices handle these types of cases, and they do not charge a fee.

You can locate various sources of legal and related services, including the free legal aid office that serves your county, at MichiganLegalAid.org.

You can also look in the yellow pages under "attorneys" or call the toll-free lawyer referral number, (800) 968-0738.

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DEPARTMENT OF SOCIAL SERVICES
FAMILY SERVICES ADMINISTRATION
STATE EMERGENCY RELIEF PROGRAM

MICH. ADMIN. CODE R 400.7002 (2007)

R 400.7002 Definitions; C, D.

Rule 2. As used in these rules:

- (a) "Cash assets" means any of the following:
 - (i) Currency and coins.
 - (ii) Amounts on deposit in banks, savings and loan associations, credit unions, and other financial institutions.
 - (iii) Uncashed checks, drafts, and warrants.
 - (iv) Traveler's checks.
 - (v) Stocks, bonds, and other investments, including negotiable instruments.
 - (vi) Individual retirement accounts.
 - (vii) Keogh plans.
 - (viii) Revocable prearranged funeral contracts.
 - (ix) Nonrecurring lump-sum payments that do not represent an accumulation of monthly benefits.
- (b) "Client" means an applicant for, or recipient of, state emergency relief and includes all members of the relief group.
- (c) "Department" means the state department of social services.
- (d) "Dependent child" means a person who is under the age of 21 and who is living with any of the following:
 - (i) A parent.
 - (ii) An adult relative.
 - (iii) An unrelated adult who functions as a parent.
- (e) "Director" means the director of the department.
- (f) "Divestment" means the disposition of an asset without receiving its market value with the intent of becoming or remaining eligible for, or increasing the amount of, emergency relief or with the intent of avoiding making reimbursement of emergency relief received.
- (g) "Dwelling unit" means a shelter, such as a house, apartment, or mobile home.

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STATE EMERGENCY RELIEF PROGRAM

MICH. ADMIN. CODE R 400.7005 (2007)

R 400.7005 Definitions; I to P.

Rule 5. As used in these rules:

- (a) "Income" means all earned or unearned monies that are received by a client.
- (b) "Infant burial allowance" means the maximum amount that may be approved for the burial, cremation, or other disposition of a child who is less than 1 month of age, a fetus, or a limb.
- (c) "Market value," with respect to an asset, means the price that the owner would receive if he or she disposed of the asset on short notice, possibly without the opportunity to realize the full potential on his or her investment in the asset.
- (d) "Noncash assets" means assets that are not cash assets.
- (e) "Potential resource" means an asset or income that may be available to a client if action is taken to make the asset or income available.
- (f) "Protected cash asset limit" means the maximum total combined cash assets that the members of a relief group which is eligible with respect to cash assets may own.
- (g) "Protected noncash asset limit" means the maximum total combined noncash assets that the members of a relief group which is eligible with respect to noncash assets may own.

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DEPARTMENT OF SOCIAL SERVICES
FAMILY SERVICES ADMINISTRATION
STATE EMERGENCY RELIEF PROGRAM

MICH. ADMIN. CODE R 400.7016 (2007)

R 400.7016 Eligibility; assets.

Rule 16. (1) If the total combined cash assets that are not exempt from consideration of all members of the relief group are more than the protected cash asset limit, the amount in excess of the protected cash asset limit shall be deducted from the cost of resolving the emergency to determine the amount of emergency relief to be issued by the department.

(2) A relief group composed solely of recipients of any of the following shall have automatic eligibility on the basis of noncash assets:

- (a) Aid to dependent children.
- (b) State family assistance.
- (c) State disability assistance.
- (d) Medical assistance.
- (e) Food stamps.
- (f) Supplemental security income paid by the social security administration.

(3) A relief group whose members' equity in noncash assets is more than the protected noncash asset limit for the number of members in the relief group is not eligible for the state emergency relief program.

(4) To be relevant to a determination of eligibility, the assets in question shall be legally available to, and under the control of, the client and shall be salable.

(5) In determining the equity in an asset, the department shall deduct all of the following from the market value of the asset:

- (a) Any encumbrances against the asset.
- (b) The costs incurred in selling the asset.
- (c) An amount to which a person who is not a member of the relief group is equitably entitled.
- (6) All of the following assets are exempt from consideration in determining eligibility for emergency relief:
 - (a) One homestead.
 - (b) Household goods.
 - (c) Personal goods.
 - (d) One burial space per relief group member.
 - (e) Assets that are essential to employment or self-employment, including all of the following:

MICH. ADMIN. CODE R 400.7016

- (i) Farm livestock and farm equipment.
- (ii) Farmland.
- (iii) Tools, equipment, and machinery.
- (f) One motor vehicle that is used as the primary means of transportation.
- (g) The accumulated earnings of a member of the relief group who is a dependent child when both of the following conditions are met:
 - (i) The accumulated earnings are held in a savings account of which the dependent child who earned the money is the sole tenant.
 - (ii) The accumulated earnings are not commingled with money obtained from any source except the earnings of the dependent child.
- (h) Educational grants and scholarships.
- (i) The total cash surrender value of life insurance policies.
- (j) Irrevocable prepaid burial contracts.
- (7) The protected cash asset limit is \$50.00.
- (8) The protected noncash asset limit is \$1,750.00 for a relief group of 1 person.
- (9) The protected noncash asset limit is \$3,000.00 for a relief group of 2 or more persons.

MICHIGAN IDA PARTNERSHIP: YEAR 3 PROGRAM EVALUATION REPORT

EXECUTIVE SUMMARY

MARCH 2004

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ACKNOWLEDGEMENTS

Many individuals contributed valuable input to this research project. Special thanks go to the 100 individuals who completed the telephone interviews. They agreed to share their personal experiences with us, believing their insights would inform policymakers and trusting that their individual identities would remain confidential. We are grateful for their generosity.

We wish to thank Eric Muschler of the Michigan IDA Partnership, who provided support and guidance throughout this research project and offered invaluable comments on earlier drafts of this report.

We thank Toby Budd of the Community Action Agency (Jackson, Michigan), Regional Coordinator for the Southern Region IDA Program Network, who worked tirelessly to provide the cleanest possible MIS IDA data set by working with individual program sites and regional coordinating organizations (RCOs) throughout the year to identify data issues and provide intensive MIS IDA technical assistance.

We are thankful to the RCO coordinators and program site staff who contributed information for this evaluation by clarifying data issues and providing credit scores. Susan Lindson of the Michigan IDA Partnership generously answered our questions and also helped resolve data issues. Diane Owens of the Michigan Family Independence Agency provided public assistance receipt data for the evaluation.

We also thank Charles Overbey of the Department of Management and Budget, and Pat Caruso and Diane Owens of the Michigan Family Independence Agency (FIA) for reviewing and commenting on the data collection tools and an earlier draft of this report.

DISCLAIMER

The views expressed in this report are those of the authors and may not reflect the views of the Michigan IDA Partnership, which funded the evaluation.

EXECUTIVE SUMMARY

INTRODUCTION

Individual Development Accounts (IDAs) are matched saving accounts designed to help low-income and low-asset families accumulate a few thousand dollars for high-return investments such as homeownership, education, and business ownership. The Michigan IDA Partnership (MIDAP) was created in 2000 to develop a statewide IDA program in Michigan. MIDAP is a partnership between the State of Michigan Family Independence Agency (FIA) and the Council of Michigan Foundations (CMF). Currently there are 56 program sites and 5 regional coordinating organizations (RCOs). As of June 30, 2003, 1,063 participants had enrolled in MIDAP—this number includes everyone who was ever entered into MIS IDA. Participant savings of up to \$1,000 are matched by \$2 for education and small business and \$3 for homeownership for every dollar saved by the participant.

The Institute for Social and Economic Development (ISED) was selected by MIDAP as the external program evaluator for five years (2001-2005). The following research questions are answered in this year's evaluation:

- What are the characteristics of program participants?
- What are the participants' savings patterns, use of program services, and outcomes?
- What are the participants' patterns of utilization of public benefits?
- How do participants assess the IDA services?
- How has involvement with the IDA program affected the participants?
- What are the differences between participants who complete the IDA program and those who do not?

This brief summary is intended to outline the major highlights from the third year's program evaluation. For more complete details please refer to the full report entitled *Michigan IDA Partnership: Year 3 Program Evaluation Report*, Losby, & Robinson, ISED Solutions (2004).

ACHIEVEMENTS

The Michigan IDA Partnership continues to do a noteworthy job of providing IDA services statewide. After 27 months of program operation, participants are overwhelmingly pleased with the services they receive—both graduates (i.e., people who made an approved matched withdrawal) and non-graduates (i.e., people who stopped participating in the program). One person said, "It is great having someone guiding you through the steps of purchasing a house, someone there to help me out with matched funds which is a huge incentive. It made 'someday' turn into reality." Even non-graduates are mostly positive about their experiences. One person explained, "I didn't want to stop, but I wasn't able to put money into the account every month."

Based on the findings, it is clear that there are positive benefits to participating in the MIDAP Program—knowledge of and taking action to manage household finances and improved planning for the future—and this holds true even for people who did not make an asset purchase. For example, non-graduates are creating and keeping budgets, paying attention to their credit and taking steps to improve it, and feeling more confident about their future. The commitment to

save continues even after people graduate or leave the MIDAP Program. One hundred percent of the graduates and 92 percent of the non-graduates have current savings.

An important programmatic achievement is the considerable improvement that has been made in the quality of data collected in MIS IDA in this past year. Participant account activity, funding sources and match rates, and matched withdrawal data are much more complete and accurate for this year’s evaluation report, and duplicate records have been removed from the system. It is clear from the improved state of the database that MIDAP made a concerted effort to make cleaning up MIS IDA a priority. This is especially commendable because entering and maintaining data accurately is a time-consuming process.

SUMMARY OF FINDINGS

This year’s evaluation consists of two components: a survey of 100 former participants and an outcome study using MIS IDA (the IDA participant tracking software) and FIA data from all program sites. The findings from each of these components are summarized below.

PARTICIPANT SURVEY STUDY	
SAVING BEHAVIOR	<ul style="list-style-type: none"> • 78% of graduates had checking account before participating in MIDAP and now 92% have them. • The most common strategy for both graduates and non-graduates to set aside money for IDA deposits by using resources more efficiently such as shopping for food more carefully. However, non-graduates (20%) are significantly more likely than graduates (2%) to postpone paying bills as a strategy for saving. • 100% of the graduates and 92% of the non-graduates currently have a savings goal. • 42% of the graduates and 24% of the non-graduates continue to save a regular amount each month after participating in MIDAP.
SERVICES	<ul style="list-style-type: none"> • For over 30% of respondents this was the first time they learned about balancing a checkbook, keeping a household budget, and managing debt. • One proxy for financial health is not bouncing checks. Before participating in MIDAP, 58% of graduates reported bouncing checks. After participating in MIDAP, only 19% reported bouncing checks. Non-graduates also reported a decrease—from 56% to 25%. • There are improvements in credit scores from the time of enrollment to exit. Improvements range from 12% to 23% depending on the credit vendor. A higher credit score means a person is more likely to receive a mortgage or loan. • Negative opinions of IDA services are related to making homeownership classes mandatory that really do not apply to all participants, the perception that homeownership is the primary goal for everyone, and the content of some classes. • 98% of all respondents would recommend the program to a friend—which is quite remarkable considering some of the non-graduates were asked to leave the program.
EFFECT HAVING IDA HAS ON LIFE	<p>POSITIVE EFFECTS</p> <ul style="list-style-type: none"> • Over 90% of respondents are more aware of their credit rating—98% of non-graduates and 92% of graduates. • 94% of non-graduates and 88% of graduates are more likely to create and use a budget. • 86% of graduates and 82% of non-graduates agree or strongly agree that they are more likely to work for pay or to stay employed since participating in the MIDAP Program. • Over 90% of graduates have their basic needs met—working utilities, a place to live, a telephone, and enough food.

PARTICIPANT SURVEY STUDY (continued)	
EFFECT	NEGATIVE EFFECTS
HAVING IDA HAS ON LIFE	<ul style="list-style-type: none"> • More non-graduates do not have enough food (30% compared with only 8% for graduates). • Purchasing clothing is the greatest challenge for both groups (58% for non-graduates and 36% for graduates). • Roughly 20% of graduates and non-graduates postpone going to the doctor or dentist. • Non-graduates are significantly less likely to save in ways other than their IDA and more likely to have to give up food or other necessities in order to save than graduates.
QUALITY OF LIFE	<ul style="list-style-type: none"> • The two groups are most different in their satisfaction of the quality of their relationship with their spouse/partner (97% for graduates and 82% for non-graduates). • 92% of the graduates and 78% of the non-graduates are satisfied with their current housing. • 72% of graduates are satisfied with their current financial situation compared with only 52% of non-graduates.

OUTCOME STUDY	
	<p>In 27 months, the MIDAP Program has achieved the following outcomes as of June 30, 2003:</p> <ul style="list-style-type: none"> • 1,021 participants (99% of those with account data) have made at least one savings deposit, with an average of \$1,077 in total deposits (which includes people who have made deposits over the \$1,000 cap and people who have made withdrawals for emergencies). • If we look at only the 623 people who did not save over the \$1,000 maximum and did not make any unmatched withdrawals, the average total deposit amount is \$480. • 142 participants (14% of those with account data) have made at least one matched withdrawal, with average total matched withdrawals of \$892. 111 participants also accumulated extra savings in their IDAs beyond the amount matched by the program, with an average of \$120 in additional savings. • Of the 142 participants who have made matched withdrawals, 68% (96 people) purchased homes, 21% (30 people) made small business purchases, and 11% (16 people) used their savings to pay for education. Matched participant savings for these purchases totaled \$126,724; additional savings beyond the matched amount totaled \$13,357. Including match funds of \$2 or \$3 for every dollar saved, the grand total used to purchase assets was \$501,009. • 297 participants (29%) have made at least one unmatched withdrawal, with average total unmatched withdrawals of \$431. An unmatched withdrawal means a person withdrew their savings from their IDA for a purpose other than their asset goal. Program rules allow for unmatched withdrawals in emergency circumstances, for example to pay for a medical bill, and participants can remain in the program. In fact, almost one-quarter of the participants who have made unmatched withdrawals are still active in the IDA program.

RECOMMENDATIONS

The program is very solid and we found few areas for concern. Our primary recommendation is to continue with the practice and policies that been instituted because they are working given the findings. We offer recommendations in effective practices and data collection and management.

EFFECTIVE PRACTICES FOR OPERATING AN IDA PROGRAM SITE

- **It is clear that respondents are aware of eligibility and participation rules.** The 11 non-graduates who were asked to leave the program all understood the reason they were expelled and they all thought this was a reasonable rule. Though this is a very small sample, this finding shows that program staff are clearly explaining the program to individuals. Our recommendation is to continue this practice.
- **Encourage program sites to have direct deposit saving accounts for their participants.** As was true last year, participants who use direct deposit for their IDAs have a greater number of total deposits and a greater number of deposits per month than participants who do not have direct deposit. However, last year 24% of participants had direct deposit; this year only 11% do. We do not know if fewer employers are offering direct deposit as an option; we only know that fewer participants have direct deposit. Program staff need to encourage participants to use the direct deposit option if their employer offers it.
- **Carefully consider class offerings and their fit with saving goal.** Like last year, consider making the financial literacy training the standard for all participants to attend at the outset of program participation and then direct people to “asset-specific” trainings.
- **Clearly identify which asset goals are available.** Participants must be informed up front about which asset saving goals are provided by their program. They feel that choosing education or microenterprise may not be as highly valued by staff as is homeownership. People are discouraged when their chosen goal does not receive the same amount of support and encouragement.
- **Recognize reasonable limits for program sites.** It must be recognized that all sites do not have the capacity or the relationships to offer all three asset goals. Twenty-five percent (or 14 of the 56 programs) only offer housing assistance. The remaining 75 percent offer at least two asset goals through internal staff expertise or referrals to existing community resources.

DATA COLLECTION AND MANAGEMENT

- Continue to provide sites and RCOs with support for MIS IDA training and technical assistance and for sufficient staff time to enter data. Adhere to procedures for ensuring that data are entered in a timely manner. Continue to use tools such as MIS IDA and MIS IDA QC¹ reports to detect and correct discrepancies.
- We recommend clarifying the policy for all program sites to collect participant credit reports and credit scores at MIDAP enrollment. This is a valuable tool to track the amount of change that occurs from the time of enrollment to any point in the future—which is an important program effectiveness measure.

¹ MIS IDA QC is a supplemental information system developed by the Center for Social Development at Washington University in St. Louis to identify some of the more common data errors in MIS IDA.

I D A
*Individual
Development
Accounts*

Building financial assets for Michigan's low-income citizens

The Michigan IDA Partnership is an innovative partnership between the State of Michigan Family Independence Agency (FIA) and the Council of Michigan Foundations (CMF)

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** ex-officio*

New Year Brings Announcement of New Additions to the Michigan IDA Partnership

With the start of the New Year, the Michigan IDA Partnership is pleased to announce the addition of 17 new program sites and 2 Regional Coordinating Organizations (RCOs) to our statewide initiative!

MIDAP completed its second round of funding to IDA program sites, allocating an additional 300 accounts across the state. In total, MIDAP has allocated nearly 1000 accounts since April 2001.

The applications demonstrated an increased understanding of the IDA field and a strong interest from nonprofit organizations to establish programs that build assets and self-sufficiency for low-income populations. The organizations began serving as Program Sites of the Michigan IDA Partnership in January 2002 for TANF eligible IDA accounts.

Two additional Regional Coordinating Organizations were also established. The Northwest Human Service Agency (NWHSA) in Traverse City and United Way Community Services (UWCS) in Detroit have agreed to coordinate Program Sites in Northern Michigan and the city of Detroit and Wayne County. We welcome them enthusiastically!

We would like to send a big "Thank You!" and recognize the following new Program Sites as they begin their Michigan \$aves! Programs:

Affordable Housing Alliance of Midland, Midland

Catholic Social Services of Wayne County, Detroit

Community Capital Development Corporation, Flint

Detroit Homeownership Counseling Collaborative, Detroit

Flint Odyssey House, Inc., Flint

Housing Services of Eaton County, Charlotte

Gogebic-Ontonogon Community Action Agency, Ironwood

Mid-Michigan Community Action Agency, Clare

Mission of Peace Housing Counseling Agency, Flint

Mt. Clemens General Hospital Family Road Care Center, Mt. Clemens

North Central Health Center, Detroit

Northeast Michigan Community Service Agency, Alpena

Northern Area Association, Detroit

P.O.W.E.R., Inc., Ann Arbor

Saginaw Habitat for Humanity, Saginaw

Saginaw Service Career Paths, Inc., Saginaw

Vanguard Community Development Corporation, Detroit



VISTA Corner highlights various contributions and services AmeriCorps VISTAs provide to the Michigan IDA Program. We welcome them into our partnership and hope the experience proves to be valuable and rewarding.

If you would like to highlight your VISTA in future editions of *Asset Developments*, please contact the MIDAP office at (734) 542-3951.

VISTA Corner

When Amy Savage decided to accept an AmeriCorps VISTA position to develop an IDA program with the Forest Area Federal Credit Union, she was thrilled at how perfect the opportunity fit with her interests.

"I was looking into AmeriCorps after high school but decided to go straight to college instead. After 2 years of earning a general degree, I pursued a real estate license. I found that the IDA position dealt with assisting low-income families in acquiring housing and was eager to take it."

Amy's first task for the IDA program was to determine the program's target market. She researched the community and found that the two largest barriers for low-income families were the lack of affordable housing and the low rate of students entering college.

"Since the program was just getting started and we weren't sure the IDA savings was enough for a down payment on a home in our county, we decided to shift our focus to offering education accounts for high school students."

Amy started by working with a high school that houses a branch of the credit union.

"The idea is to allow students to deposit their savings during their lunch periods. We're trying to work with other schools to set up similar systems."

This is Amy's 6th month as an AmeriCorps VISTA and she is currently participating in a course to learn grant writing so that she can look into other funding opportunities for Forest Area's IDA program.

"Next year we want to try to provide home ownership accounts," said Amy.

Amy's interests lie mostly in IDA program start-up and development.

"I've learned so much about IDAs that I would hate to leave it all behind. I enjoy this work too much."

Amy is one of 7 AmeriCorps/VISTA volunteers serving through the MSU Center for Urban Affairs project with Community Development Credit Unions. These and numerous other volunteers are serving IDA programs throughout the state.

Foundations Step Up to Support IDAs Across the State

The generous support of Michigan's foundation community will tremendously impact the long-term sustainability for providing IDAs throughout the state of Michigan. Thus far, the Michigan IDA Partnership has been awarded 7 grants from foundations to support IDAs for specific state regions. For some foundations, an awareness of IDAs as a tool to promote self-sufficiency and financial independence existed prior to the MIDAP proposal, making their new support an easy decision.

The Grand Rapids Community Foundation supported one of the first IDA Programs in Michigan starting in 1999.

"The impact IDAs have had on participants from our community in just 3 years is incredible," says Program Officer Laurie Craft.

The foundation's decision to support IDAs was based on the direct impact the program provided for its community members. Craft commented on how IDAs could positively impact generational

poverty in communities within Grand Rapids.

"Saving is not heavily emphasized in these communities and IDAs provide an educational process that can teach them to change the way they think and develop their savings habit."

Craft noted that the time frame given to participants to save (6 months – 3 years) is powerful in developing the long-term changes these communities need. The foundation's support does not end in the grantmaking arena. Craft states that their foundation's strongest role would be in advocacy and sharing the information they have collected about the IDA program to other foundations.

"The sky's the limit for the IDA program and we are very excited to talk to other foundations that may be interested in supporting the program as well," said Craft.

Other foundations that have generously contributed to the Michigan IDA Partnership include:

- Battle Creek Community Foundation
- Jackson Community Foundation
- Fremont Community Foundation
- Bank One

Save the Date!

- **April 2-4, 2002**–2002 IDA Learning Conference: International Perspectives on Asset-Building

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The Cleary International Centre

Register online at
www.idanetwork.org.

Questions? Contact the Corporation for Enterprise Development by email at idainfo@cfed.org or by phone at 202-408-9788.



Huntington National Bank Joins IDA Partnership Opening 90% of Accounts in Western Region

With its continuing support and presence at statewide events, such as the Michigan IDA Learning Conference, and its recent appointment to the State IDA Advisory Committee, Huntington National Bank has sought to break down the barriers between low-income populations and large financial institutions and assist community agencies in their efforts to move people out of poverty.

Christine Piper, Assistant Vice President and Community Relations of Huntington National Bank in west Michigan, said the IDA program was a great way to reach out to an underserved community.

"Huntington feels that the IDA program bridges the gap between financial institutions and what we refer to as non-bankable populations. We want to reach out to low-income people and offer loan products, help clean up credit problems, and assist in balancing budgets. It was a perfect fit for us to get involved and help with the IDA movement."

Huntington provides financial literacy training and one on one counseling to all participants requesting its assistance. In addition, it has made strong efforts to train its staff about the IDA program and to get them out to IDA sites.

"It's a way to remove ourselves from the bank. We visit community agencies, make presentations, and build relationships with the participants," said Chris. "That way when the participant comes to visit our bank, they are not walking into a room full of strangers but of recognizable and welcoming faces."

Chris sees the provision of additional match money and financial literacy classes as the two major roles financial institutions could play in the IDA field.

"The biggest challenge I see in getting financial institutions involved is the lack of knowledge on how IDAs fit into the banking system."

She sees IDA participants as future customers of the bank through checking and savings accounts, loan products, and even investment tools. Currently Huntington National Bank is partnering with 9 Western region Michigan \$aves programs.

"It's great going from concepts and ideas to seeing how these partnerships come into fruition. I'm looking forward to watching our participants successfully purchase their assets and build their financial knowledge base."

To see more about the key roles that financial institutions can play visit the IDA website within the Council of Michigan Foundations home page at www.cmif.org.



Success story

Newaygo County Community Services (NCCS)

As a self-employed, single mom, Patty Bitson was struggling week-to-week. She had a large amount of debt and was unable to get ahead financially. The idea of ever owning a home seemed improbable.

Patty wanted to purchase a home for herself and her children, but was unsure how to negotiate a home purchase and, most importantly, how she would ever save enough money. After reading a newspaper advertisement and speaking with a friend, Patty found out that she could change her future through the NCCS Individual Development Accounts (IDA) program, in partnership with NCCS Center for Nonprofit Housing (CNH).

Patty began the process of owning a home by meeting with Michelle Petz, NCCS IDA Program Coordinator. During the process, Patty started with \$84 a month and as her income increased she would add

additional money each month. She saved for 6 months. Patty received personal counseling on money management, learned how to correct credit problems and centered on the goal of becoming a homeowner. She had some credit card debt that she was able to pay off and she attended the Homeownership and Economic Literacy classes through the MSU Extension in Newaygo County. Financial Management classes included four 2-hour classes and in addition she received one on one counseling from CNH, another community partner to the program. She attended four 3-hour Homeownership classes to complete her asset-specific training.

Homeownership was an idea Patty had only hoped would come true, but through hard work and sound money management skills, her dream came true.

As a homeowner, Patty realized, "I can do things for myself, feel more independent and feel more security for me and my children. I believe I've set an example to my kids that with hard work you can accomplish anything."



Home purchased by Patty Bitson on December 31st, 2001 through the NCCS IDA Program.



Building Support for State Initiatives

The Michigan IDA Partnership was asked to present at the first National-State IDA Policy Conference held in St. Louis last November where government officials, IDA programs, researchers, and advocacy organizations gathered to discuss the expanding IDA Movement. With a new total of 51 program sites and a goal to open 2000 accounts, Michigan is at the forefront of the IDA movement across the country.

Below is a snapshot of planned IDA activities in the most active states.

State	Number of Program Sites	Planned Accounts	Total Funding
Michigan	51	2000	\$10 million
California	20	2000	\$9 million
Illinois	17	1015	\$1 million
Iowa	9	1600	\$8.7 million
Louisiana	3	730	\$8.2 million
Pennsylvania	22	2015	\$15 million
28 States Total	430	18,318	\$92,248,086

By popular demand...Listserv

The Michigan IDA Partnership invites Michigan IDA Program Sites to join a listserv, set up as a resource to ask questions, share information, and provide solutions to issues facing programs in Michigan. Experience indicates that IDA programs benefit immensely from communicating regularly with other IDA Programs at similar stages of development. With this in mind, we hope this listserv will become a useful tool where Michigan programs can garner knowledge and experience from fellow IDA providers.

A monthly *Best Practices Cheat Sheet* and *MIS IDA Helpful Hints* will be sent out over the MIDA Listserv starting in February of this year to provide continuous support and resources to Michigan IDA Program Sites.

To join the Michigan IDA Listserv, contact Rupal Patel at (734) 542-3951 or write her at IDAPatel@Earthlink.net.



Michigan IDA Partnership

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Asset Developments

A complimentary, quarterly publication, *Asset Developments*, is distributed to IDA funders, potential funders, IDA providers, IDA participants, key state departments, legislators, and others who are interested in the implementation of IDAs.

Funding for the publication is provided by the Charles Stewart Mott Foundation.

Please direct any comments, questions, concerns or submissions to: Eric Muschler, CME, P.O. Box 599, Grand Haven, MI 49417.



Asset Building Coalition (ABC) for Michigan Launched at Conference

**For Immediate Release
May 17, 2005**

**Contact: Eric Muschler
(734) 542-3951**

Lansing, Michigan – Today at the Michigan Conference on Affordable Housing the Community Economic Development Association of Michigan (CEDAM) and the Michigan IDA Partnership (MIDAP), a project of the Council of Michigan Foundations (CMF), announced the creation of the Asset Building Coalition (ABC) for Michigan.

The ABC for Michigan is the next phase of a project called the Michigan IDA Partnership started in 2001. The Michigan IDA Partnership, a collaboration between the Michigan Department of Human Services and the Council of Michigan Foundations (CMF), is a relatively small but successful program that rewards low-income families that save their earned income toward appreciating assets like a home purchase, post-secondary education, and small businesses. Their savings (up to \$1,000) is matched at a 2 or 3:1 ratio toward their asset investment. To date Michigan has (contact Eric for IDA Fact Sheet):

- 1600 IDA Accounts available more than any other state
- Over 500 households that have successfully completed the program and made asset investments (323 homes purchased, 108 education account uses, and 71 small business investments).
- \$28 million in mortgage financing leveraged.

"Given these tight budget times in Michigan, it is critical that we make strategic investments that produce outcomes that the State values." Said Representative Steve Tobocman (D-District 12, Detroit), "The IDA program and others policies championed by the ABC will pay huge dividends for the State and are exactly the investments we should be making with limited State dollars."

The ABC for Michigan will be part of the Asset Building Policy Project at the Community Economic Development Association of Michigan (CEDAM). The project will use the 2005 CFED Assets and Opportunity Scorecard as one of its key analysis tools to highlight existing policy and create new policy options with the greatest potential to help working poor households build assets toward becoming more financially secure. The Scorecard shows Michigan having the 5th highest homeownership rate in the country and ranked 14th among all states in providing homeownership opportunities.

"The Michigan State Housing Development Authority (MSHDA) recognized the power of IDAs right away," said Tony Lentych, Executive Director of CEDAM, "but asset building tools are more than just IDA Accounts. To use a term popularized by the President, it is about creating an Ownership Society, but one that is inclusive and equitable with its resources. The ABC Coalition will consider a broader range of Asset

Building policies that address homeownership, business creation, health care, education and financial security of working poor households.”

“We have a great track record to build on here,” said Representative Jerry Kooiman (R-District 75, Grand Rapids). “The Asset Building Coalition will be a source of new ideas and the next generation of Asset Building policies, like IDAs, that has garnered strong bi-partisan support since its inception.”

The ABC for Michigan will produce a report in the fall that will serve as the baseline for its longer-term policy efforts in the Asset Building Policy Project at CEDAM. The full coalition’s membership is currently being recruited and will include all members of the State IDA Advisory Committee, key state departments, the private sector, and several Democratic and Republican legislators (see attached roster of committed members).

The Michigan Conference on Affordable Housing is the largest of its kind in the country and in the nation. Over 1500 housing industry leaders will attend during the three-day conference, which continues through Wednesday May 18th at the Lansing Center.

For more information contact:

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Michigan IDA Partnership A Project of the Council of Michigan Foundations

**News Release
October 10, 2002**

**Contact: Eric Muschler, Michigan IDA Partnership (734) 542-3951; Muschler@Earthlink.net
See other Partner Organizations and Contact Information Below**

Michigan has a high home ownership rate, but is weak in helping families leave poverty New State funded IDA program already having an impact

Home ownership opportunities in Michigan rank among the best in the nation according to a report released today by the Corporation for Enterprise Development (CFED), *the 2002 State Asset Development Report Card* (online at <http://sadc.cfed.org>).

The *Report Card* is a benchmarking tool that considers 68 socioeconomic and policy measures—including wealth data never before available at the state level—to compare states on how assets are accumulated, distributed, and protected among their citizens, especially among those often left out of the economic mainstream.

Despite the good news on home ownership, the *Report Card* finds that more Michigan residents are asset poor than income poor. In Michigan, 9.4% of the population is below the poverty line. Yet more than twice that number, 19%, of the population is below the asset poverty line, as measured by the proportion of households lacking savings to subsist for 3 months.

“For years, income has been the primary measure of poverty in the United States,” said Rob Collier, President and CEO of the Council of Michigan Foundations. “While income is important, the role assets play in poverty alleviation and self-sufficiency has long been neglected. Owning assets gives people a stake in the future—a reason to save, to dream, to invest time, effort and resources in creating a future for themselves and their children.”

Michigan receives a "B" and is ranked 18th in the nation in terms of asset outcomes. The State received a mixed review in three key areas of asset outcomes: homeownership, education, and business ownership. Access to home ownership is more difficult for non-whites, and is even harder for female-headed households.

In basic education proficiency in Michigan ranked 6th in the nation. However, in college attainment the ranking dropped to 31st due in large part to lack of educational opportunity targeted to low-income and female-headed households.

The report shows that outcomes related to small business development and ownership in Michigan are poor. Michigan ranked 48th in the small business ownership rate. Minority entrepreneurship and women's business ownership were equally disappointing at 43rd and 30th respectively.

Michigan's overall ranking dropped to 21st among states in terms of asset policies - policies that help low-income households move toward greater economic self-sufficiency. The *Report Card* recognizes Michigan for its support a large-scale Individual Development Account (IDA) project, a public-private partnership called the Michigan IDA Partnership (see **Michigan IDA Partnership up-date and IDA Success Stories also attached**). It also recognized Michigan for its public tax expenditure reporting which itemized the value of revenues forgone via tax breaks and makes the report available on the web. In addition the Report identifies other promising state strategies for helping to build assets of low income citizens such as:

- State provisions for banks to provide low-cost transaction accounts;
- State-based Earned Income Tax Credits;
- Funding and technical assistance for low-income entrepreneurs;
- Support for community development financial institutions.

For more information, a copy of the report, or to schedule an interview, please contact Eric Muschler at (734) 542-3951 and please visit <http://sadrc.cfed.org>.

Partners Organizations Releasing Asset Development Report Card:

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The Michigan IDA Partnership is a collaborative effort by the State, foundations and corporate giving programs, and nonprofit organizations to assist low-income households attain home ownership, higher education, and small business development opportunities. Nearly 1000 IDA Accounts are available in Michigan through 50 IDA Program Sites statewide making it one of the largest IDA Initiatives in the nation.

The Council of Michigan Foundations is a statewide association of 420 foundations and corporate giving programs with a mission to increase, enhance and improve philanthropy in Michigan.



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General News

MIDAP A National Model Helping Families Build Assets

Date: 1/20/2006

by Mike Gallagher for the CMF NewsWire

A new national report published by the Fannie Mae Foundation calls the Michigan IDA Partnership (MIDAP) one of the premier programs in the nation in helping working-poor individuals and families rise out and stay out of poverty by providing them financial literacy training and asset development strategies.

The report, entitled: "*Promoting Economic Security for Working Families*" by Heather McCulloch, a noted consultant on asset development policies and strategies, takes a national look at projects created to reduce or eliminate asset poverty.

"Asset poverty carries enormous social and economic costs," says McCulloch. "Asset-poor families often rely on public resources. And they become part of a system that discourages rather than encourages savings and investments.

"For example, most public benefit programs, such as Temporary Assistance for Needy Families (TANF), Supplemental Social Security Income (SSI), food stamps and Medicaid have asset limits that penalize families for saving; they lose their benefits if they save more than a minimal amount, typically \$2,000 to \$3,000," she adds.

Michigan is one of six states singled out by McCulloch for being proactive in the initiation of unique and successful projects to help poor families escape the bonds of poverty and MIDAP is hailed as a leader in this work and in its efforts to decrease or eliminate barriers to savings.

McCulloch's report credits MIDAP for helping secure and retain more than \$4 million in state-funding; leveraging nearly \$2 million in federal support and nearly \$3 million in private sector support to expand the availability of Individual Development Accounts (IDAs). These matched savings accounts are available to low-income/low-asset families and individuals who complete a financial literacy program and reach savings goals. The resulting funds may be used for higher education, homeownership and small businesses development.

MIDAP's other achievements include supporting creation of an innovative savings program for children by the Oakland Livingston Human Service Agency that now serves 500 Head Start families; securing a state policy change that now excludes savings and investments in 529 education

accounts from state asset limit tests; and supporting the creation of a *Housing and Community Development Trust Fund* to expand ownership opportunities.

Other states cited in the report include California, Delaware, Hawaii, Illinois and Pennsylvania.

MIDAP was formed in 2000 as a special, five-year demonstration project of the Council of Michigan Foundations (CMF) in response to a request from the Michigan Department of Human Services to match TANF dollars with private dollars to build a model asset-building program. The **Charles Stewart Mott Foundation** provided the lead match with a \$1 million grant.

The Mott Foundation is one of more than 30 foundations that have invested in MIDAP, according to Executive Director **Eric Muschler**. Among them are the **W.K. Kellogg Foundation**, **The Jackson County Community Foundation**, **Battle Creek Community Foundation**, **Besser Foundation**, **Community Foundation for Muskegon County**, **Community Foundation of the Holland/Zeeland Area**, **The Fremont Area Community Foundation**, **General Motors Foundation**, **Grand Rapids Community Foundation**, **Hudson-Webber Foundation**, **McGregor Fund**, **Rotary Charities of Traverse City**, **Ruth Mott Foundation** and the **Whirlpool Foundation**. **Bank One** and Huntington Bank also provided funding for MIDAP.

As a result of that support, Michigan has become the largest statewide asset-building initiative in the country. The project reaches eligible participants through a network of community agencies that have received training, funds and technical assistance to develop their capacities for serving working-poor families with matched savings accounts and other asset-building programs.

"Thanks to the ongoing support of CMF, MIDAP has demonstrated the power that saving, matching and investing limited resources can have in the lives of Michigan families who are struggling to make ends meet," says Muschler.

In 2004, the MIDAP advisory committee - comprised of leaders from foundations, community development programs, financial institutions and government agencies - recommended expanding the project to include promoting new public policies that would broaden access to financial education and asset-building opportunities to a great number of eligible state residents.

In October MIDAP spun-off the Asset Building Policy Project in partnership with the Community Economic Development Association of Michigan (CEDAM) to do just that.

The Asset Building Policy Project's current priorities are:

- expanding state support for IDAs
- creating universal children's savings accounts
- continuing to remove disincentives to asset accumulation in public benefit programs
- supporting the appropriation of resources for the

state Housing and Community Development Trust Fund to promote ownership opportunities

- exploring anti-predatory lending legislation and anti-insurance red-lining legislation

Tony Lentych, CEDAM's executive director, says he is extremely pleased with the growth and success of MIDAP and the creation of the policy project.

"Working families, as well as low-income communities, are struggling in Michigan," says Lentych. "State economic development policy has to tie together individual development policy with economic development policy and that is the tie and opportunity we are creating."

Despite MIDAP's phenomenal success, McCulloch said the effort to expand ownership, to give working families meaningful opportunities to reap the benefits of asset acquisition and preservation, remains in its infancy.

"But it is already clear that states – such as Michigan – will shape this nascent movement," she adds. "State-level energy is fueling the development of initiatives that are bringing (home) ownership within reach of working families. These initiatives, taken together, have the potential to transform the nation's social and economic landscape."

The latest U.S. Census shows that 2,616,458 or 26% of Michigan families live at or below 200% of poverty. These are mostly working poor families that are one or two paychecks away from possible financial disaster, notes McCulloch. Earning wages too low to make ends meet, yet too proud to accept public assistance, these families have the desire and the will to get out and stay out of poverty, but they need tools to help them accomplish this important goal.

Robert S. Collier, CMF's president and CEO and MIDAP's Advisory Committee chair, says the new national report only confirms what many in Michigan already know, that MIDAP is a tremendously successful program that is making a difference.

"Thanks to the foresight and support of foundation leaders like **Benita Melton** from the C.S. Mott Foundation, MIDAP was created and has now evolved into a national model for other states," says Collier. "It truly is a project that has helped those who need a helping hand."

Muschler says one of the benefits of McCulloch's report is the advent of a "group of state policy advocates that are gathering on a regular basis to share lessons learned and help develop strategies to succeed in establishing positive policies at the state level."

To download a full version of the McCulloch report, click [here](#).

To learn more about MIDAP and its work and the role foundations play in other statewide initiatives, visit CMF's web site at www.cmif.org.