
OVERVIEW

When a child is placed in an out-of-home situation with the Department of Health and Human Services (MDHHS), any other income or funds available to the child are to be secured and used to reimburse the public funds providing payment for the child's care. This includes, but is not limited to, benefits from Retiree, Survivor and Disability Insurance (RSDI), Supplemental Security Income (SSI), Veterans Administration (VA), Worker's Disability Compensation, railroad retirement, federal civil service retirement, and/or any other retirement or insurance benefits. If the child's total income exceeds the cost of care, the excess is to be saved for the child. Details about how the government benefits impact foster care payments are found in [FOM 903-8, Payment Requiring Special Processing](#).

Upon entering care, a DHS-3205, Foster Care/Juvenile Justice Benefit Eligibility Record, is to be completed for each child receiving any government benefits. The completed form should be forwarded to Central Office, Accounts Receivable Unit - Government Benefits. Applications to obtain any available governmental or insurance benefits will be completed by the Accounts Receivable Unit - Government Benefits area. MDHHS is to become the payee for youth paid from all fund sources.

An updated DHS-3205 is to be emailed to MDHHS-govtbenefits@michigan.gov to notify Central Office, Accounts Receivable Unit - Government Benefits area of any change in circumstances after acceptance that might qualify a child in MDHHS care, for governmental or insurance benefits, such as a change in placement, a parent dies, becomes disabled, retires, or the child becomes disabled, etc.

Note: Termination of parental rights does not affect a child's eligibility for RSDI benefits deriving from that parent. The child's right to that benefit continues even if the child were to be adopted.

SSI BENEFITS DETERMINATION

Supplemental Security Income (SSI) is a federal income supplement program funded by general tax revenues (not Social Security taxes). It is designed to help aged, blind, and disabled people, who have little or no income. It provides cash to meet basic needs for food, clothing, and shelter.

Children who have physical, emotional, or mental disabilities may be potentially eligible for, or could be currently eligible for SSI benefits.

A child may be SSI eligible if all of the following apply:

- They have a physical or mental condition or a combination of conditions that can be medically proven and which result in **marked and severe** functional limitations. A list of these conditions can be found on the DHS-4700, Children's SSI Screening Document - Supplement.
- The medically proven physical or mental condition or conditions will last or are expected to last at least 12 months or could be expected to result in death.
- They do not work at a job considered to be substantial work.

Children coming into care with SSI eligibility or who become eligible for SSI after entering care, automatically receive Medicaid eligibility. **Do not open Medical Assistance - Foster Care Departmental Ward (MA-FCDW) for children receiving Medical Assistance - Supplemental Security Income (MA-SSI); see [FOM 803, Medicaid - Foster Care](#).**

Potentially SSI Eligible

Youth who are in a foster care or delinquency placement who appear to meet the above definition of disability are to be screened by the assigned worker for SSI eligibility with special attention given to the following youth:

- Youth receiving a determination of care (DOC) supplement in family foster care.
- Youth who, later in their placement, become disabled.
- Youth with identified chronic conditions in CareConnect360.
- Youth with documented medical (physical, mental and emotional) diagnoses.
- Youth approaching age **18** whose disability prevents them from becoming self-supporting. Within six months of a youth's 18th birthday, an application should be initiated with the Accounts Receivable Unit - Governmental Benefits area.

**Initial SSI
Application -
Procedures for
Determining
Potential Disability**

Children that do not need to be screened for SSI benefits:

- Currently receiving SSI benefits.
- Currently pending SSI benefits.

If there are questions regarding the youth receiving or having applied for SSI benefits, email the MDHHS Governmental Benefits email box at MDHHS-govtbenefits@michigan.gov.

For those youth who may be eligible for SSI:

- The Accounts Receivable Unit - Government Benefits area will work as a liaison between the Social Security Administration and the MDHHS caseworker. Submit the following documents to the MDHHS Governmental Benefits email box at MDHHS-govtbenefits@michigan.gov:
 - DHS-3205, Foster Care/Juvenile Justice Eligibility Record, indicating that the child is potentially eligible for SSI. Indicate in the comments section to whom the communication should be returned at the local office. This will ensure timely responses are received in the local office.
 - Birth certificate (for initial benefit applications only).
 - Court order granting MDHHS placement and care responsibility of the child.
 - SSA-788, Statement and Care Responsibility for Beneficiary (for initial benefit applications and payee changes).
 - Individualized Education Plan (IEP) or other supporting medical documents (for initial SSI applicants only).
- The Accounts Receivable Unit - Government Benefits area will send an initial SSI application packet for the worker to complete which must be returned in three weeks. The forms in the packet must be complete or the information will not be

accepted by the Social Security Administration. Any medical records, school documents and/or other documentation that supports the child's disability should be returned with the packet. The following documents must be returned via mail as an original is required by the Social Security Administration.

- SSA-8000 is the initial application.
- SSA-3368 Adult Disability Report -18+ years.
- SSA-3820 Child Disability Report - 0-17 years.
- SSA-827 Authorization to Disclose Information. The youth must sign if they are 12 years of age or older. Children under the age of 12 must have their form returned with the signature box left blank.

Do not wait for the supporting documentation to submit the rest of the packet. If documentation is received later, it can be submitted at that time.

Note: The Social Security Administration (SSA) may take up to six months to make a determination.

The SSA may send a letter directly to the child's placement requesting that the child be taken for further medical appointments and/or request additional documentation. The child's placement must be notified that they may receive a letter and the appointment must be completed. The placement should also be directed to notify the caseworker of the appointment as a separate notice will not be sent directly to the caseworker. In some instances, these letters will be received by the Accounts Receivable Unit - Government Benefits area and will be forwarded to the foster care worker.

Failure to attend the medical appointment or provide requested additional documentation may result in a denial by the Social Security Administration.

If the application is denied by the Social Security Administration, the Accounts Receivable Unit - Government Benefits area will not appeal their decision. The local office can appeal the decision on behalf of the child.

Potentially Eligible Youth Transitioning Out of Foster Care

Youth who are disabled and receiving title IV-E federal foster care benefits may not be eligible for SSI if they have a high daily cost of

care until foster care payments have stopped. SSA may accept an SSI application from a youth up to 180 days before the youth transitions out of foster care. The application must be made to ensure the eligible youth has access to the SSI once they transition out of foster care. An updated DHS-3205 is to be emailed to MDHHS-govtbenefits@michigan.gov to notify Central Office, Accounts Receivable Unit - Government Benefits area to begin the application process.

Ongoing Procedures for SSI Recipients

MDHHS as the SSI representative payee for the child in care must report any change in circumstances (events) regarding the SSI recipient to the SSA.

An updated DHS-3205, Foster Care/Juvenile Justice Benefit Eligibility Record, must be emailed by the caseworker to MDHHS-GovtBenefits@michigan.gov to notify Central Office, Accounts Receivable Unit - Government Benefits area of any change in circumstances after acceptance that might impact SSI benefits.

Events requiring completion of a DHS-3205 include:

- A change in physical placement of the child. This includes all placement changes, including a move from one foster home to another.
- The child returns home and is placed in a parental home placement.
- There is a change in the child's daily cost of care. An example would be an increased determination of care (DOC) rate.
- There is a change in the child's fund source.
- The child is adopted.
- The child's foster care case is closed.
- Death of the child.

Continuing Disability Reviews (CDR)

The SSA is required by law to periodically review the case of every individual who is receiving SSI disability benefits. The purpose of a Continuing Disability Review (CDR) is to determine whether the medical (physical or mental) conditions which established the SSI eligibility have improved.

CDR Notification

The following steps are required to ensure accuracy:

1. SSA will send the child's CDR packet to the Central Office, Accounts Receivable Unit - Government Benefits area.
2. Central Office, Accounts Receivable Unit - Government Benefits area will forward the packet to the assigned MDHHS foster care worker/monitor and supervisor (as shown in MiSACWIS).
3. The MDHHS monitor must submit the packet to the Placement Agency Foster Care (PAFC) worker if applicable.
4. The completed forms must be sent back to Central Office, Accounts Receivable Unit - Government Benefits area by the return date indicated.

Failure to promptly respond to the CDR may result in the termination of the child's SSI benefits.

Completing The CDR

To complete the SSA CDR, the assigned caseworker must ensure that the medical, behavioral and educational documentation which supports the child's disability is current and available (per [FOM 801, Health Services for Children in Foster Care](#)). The supporting documentation:

- Is used to determine continuing SSI eligibility.
- Verifies that the child has been receiving treatment that is considered medically necessary for their disability.

- Is entered in and uploaded to the MiSACWIS Health Profile Section.

SSI Suspensions and Reestablishing Eligibility

SSI eligibility is needs-based. SSI benefits are suspended by the SSA if income exceeds the SSI monthly benefit.

Per SSA policy if the source of payments for an individual's care is federally funded income based on need (for example, foster care under title IV-E), the payment is considered income and the SSI payment is reduced or suspended.

SSI benefits can remain in suspense for 12 consecutive full calendar months before the SSA requires a new application. During the 12-month period, if the cost of care becomes less than or equal to the SSI benefit rate and title IV-E is not the fund source, the SSI payment may be reinstated or resumed without filing a new SSI application.

Note: This change is communicated by submitting a DHS-3205.

SSI recipients generally have 12 consecutive months after the effective date of a suspension to have benefits reinstated without filing a new application. A new SSI application to reestablish eligibility is needed after a 12-month SSI suspension.

Youth and SSI at age 18

At age 18, SSA will review eligibility for continued SSI benefits based on disability rules for adults. This age 18 redetermination is conducted within a year of the youth's 18th birthday.

For the review, the SSA will send a letter requesting the following information about the youth's disability:

- Physician/other health care providers (including mental health) contact information.
- Medical treatments and services.
- Hospitalizations.
- Medications.

- Counseling/Therapy.
- Work activity.
- School/special education classes/tutoring.

RSDI BENEFITS DETERMINATION

Children who have a parent (or under certain circumstances a stepparent, grandparent, step-grandparent, foster parent or adoptive parent) who is retired, disabled or deceased may be eligible for Retirement, Survivors, and Disability Insurance (RSDI) benefits.

For those youth who may be eligible for RSDI:

- The Accounts Receivable Unit - Government Benefits area will work as a liaison between the SSA and the MDHHS caseworker. Submit the following documents to the Accounts Receivable Unit - Government Benefits area by email to MDHHS-govtbenefits@michigan.gov.
 - DHS-3205, Foster Care/Juvenile Justice Eligibility Record, indicating that the child is potentially eligible for RSDI. Indicate in the comments section to whom the communication should be returned at the local office. This will ensure timely responses are received in the local office.
 - Birth certificate (for initial benefit applications only).
 - Deceased individual's death certificate (if applicable, initial benefit application only).
 - Court order granting MDHHS placement and care responsibility of the child.
 - SSA-788, Statement and Care Responsibility for Beneficiary (for initial applications and payee changes).

Note: The SSA may take up to six months to make a determination.

If the application is denied by the SSA, the Accounts Receivable Unit - Government Benefits area will not appeal their decision. The local office can appeal the decision on behalf of the child.

TRIBAL BENEFITS

Consult with the tribe providing the payment and/or the applicable federal laws. It is recommended a trust be established for the child to be available to the child at age 18 years.

LOCAL RECEIPT OF BENEFIT/ WARRANTS

All financial benefits due to an MDHHS supervised child are to be paid directly to the State of Michigan. If such checks are sent to the local office or court, they should not be cashed but should be returned to the originating entity. The local office is to complete a DHS-3205, Foster Care/Delinquent Ward/Benefit, attach a court order for the child and submit the packet to the Accounts Receivable Unit - Government Benefits area. The Accounts Receivable Unit - Government Benefits area, upon receipt of the DHS-3205, will request an address change or change of payee, as needed, so that future checks will be sent directly to Central Office.

RECEIPT OF FUNDS IN EXCESS OF DEPARTMENT PAYMENTS

Whenever payments (Social Security, Veterans Administration, etc.) received by the department for children are in excess of the amount expended for the child's care, the funds will be placed in an account for the child. Money in the child's account may be used for the child's benefit and can be withdrawn at the request of the local office director or his/her designee.

The use of dedicated account funds from Social Security requires Social Security approval.

Upon discharge, the account is closed, and the excess funds are returned to the Social Security Administration or other originating entity.

Estate, insurance and other lump sum benefits awarded to a child should be directed to the Accounts Receivable Unit - Governmental Benefits area.

**State and County
Wards**

Regardless of excess property or income, MDHHS is responsible for care and supervision. When there is a chargeback to the commitment county, one-half (up to the amount of the charge to the county) of any income or property used to provide for a youth's care will be credited to that county to reduce the chargeback. Youth with continuing excess income will be changed to a *no charge* status. See [FOM 902-19, Chargeback System](#).