

**FAMILY SUPPORT SUBSIDY PROGRAM  
FSS GUIDELINES FOR DETERMINING ELIGIBILITY OF APPLICANTS**

**Revised: May 2018**

**I. SUMMARY/BACKGROUND**

The Michigan Department of Health and Human Services Family Support Subsidy (FSS) program is a program that provides financial support to families who care for their child with severe disabilities in the family home. This financial support may help prevent or delay out-of-home placement. In other situations, the program may provide the funds necessary to allow the child to return home from an out-of-home placement.

Michigan's Mental Health Code and Administrative Rules establish the parameters and process for determining eligibility of applicants to the FSS program.

**II. VALUES AND PRINCIPLES**

Supporting families is a high priority of Michigan's public mental health system, as evidenced by the FSS program. Michigan's public policy is that children with developmental disabilities, like all children, need loving and enduring family relationships. For over two decades, the Michigan Department of Health and Human Services' policy has been that children should be supported to live with their families and if out-of-home placement becomes necessary, it should be temporary and time limited with a goal of family reunification or, for some children, adoption.

Providing financial support to families that include a child with severe disabilities may enable families to stay together, allows them flexibility in purchasing special services at the local level, and saves taxpayer money by avoiding or reducing the need for more costly out-of-home placements. With this subsidy, families are empowered to make decisions and purchases based upon the special needs of their child.

**III. FAMILY SUPPORT SUBSIDY GUIDELINES**

Pursuant to Section 157(2) of the Mental Health Code, "The department shall create application forms and shall make the forms available to community mental health services programs for determining the eligibility of applicants..."

A. Determining the eligibility of applicants includes:

- 1) Helping families understand the requirements of the program
- 2) Providing assistance in completing the application
- 3) Application processing to determine eligibility
- 4) Requesting technical assistance from MDHHS as appropriate
- 5) Liaison between families and MDHHS
- 6) Outreach to schools, medical offices, clinics, hospitals, etc.
- 7) Participating in the FSS program annual survey

- 8) Arranging a hearing, at the family's written request, if the community mental health agency denies or terminates a family support subsidy
  - 9) Participating in efforts to recapture monies received by families after the child/family's change in eligibility.
- B. Applicants to this program must complete MDHHS-1181, FSS application. The community mental health services program (CMHSP) FSS coordinator may assist the applicant and provide direction.
- C. The child's date of birth must be verified. A copy of the child's legal birth certificate is preferable.
- D. The name(s) and address as written on the application is the way it will appear on the subsidy warrant (check). Please make sure that all information is legible and accurate. If two names are listed on the application, both names will be used as dual payees on the warrant.
- E. The educational eligibility category must be documented annually by certification from the Michigan local public or intermediate school district the child attends (or would attend if he/she were in the public-school system). Certification can be in the form of the child's Multidisciplinary Evaluation Team (MET) report, Individual Educational Program Team (IEPT) report or by a letter or memorandum on school letterhead. Suggested checklist language has been developed for this purpose and schools wishing to utilize it may contact the local CMHSP.
- 1) If the child's educational eligibility category is cognitive impairment, eligibility can be determined by the school psychologist or other qualified school representative who can verify, in writing, that the child's latest intellectual assessment shows development at a rate of 4.5 or more standard deviations below the mean.
  - 2) If the child's educational eligibility category is autism spectrum disorder, the school must verify the child's special education programming. Eligible programming for children with autism spectrum disorder is limited to the following: program for students with severe cognitive impairment (R340.1738), program for students with severe multiple impairments (R340.1748), or programs for students with autism spectrum disorder (R340.1758).
    - a) Please note that special education rule number 340.1758 describes two alternatives for educating children with ASD. Rule number 340.1758(1)(a) describes the traditional classroom for children with ASD, taught by a teacher of students with ASD. Rule number 340.1758(1)(b) describes a special education program, tailored to an individual student's needs, that assures the provision of educational programming for students with ASD. A 340.1758(1)(b) program can be carried out in many different school settings including the general education classroom or resource room. If a child's IEP states the special education rule number associated with a particular classroom setting and the programming

includes components of 340.1758(1)(b), FSS educational eligibility could be determined if school authorities are able to assert, in writing, that the child's educational program also meets the requirements of 340.1758(1)(b).

- F. A copy of the family's most recently filed Michigan income tax form documents the family's taxable income. To be eligible for this program, the taxable income must be \$60,000 or less.
  - 1) Other documentation is acceptable only if the family did not file a Michigan income tax form - having recently moved here from another state or country or having too little income to require filing. Other documentation that is acceptable if a state form is not filed includes (in descending order): a family's most recently filed federal income tax form, Supplemental Security Income statement, Michigan Department of Human Services statement, W-2 form, recent check stub or a handwritten, signed note attesting to no taxable income. **A Medicaid card is not an acceptable proof of income.**
- G. **For new applicants only:** If the family's most recently filed Michigan income tax form shows a taxable income of more than \$60,000, but the family's financial worth has decreased since filing (layoff, death, divorce, etc.), documentation of projected income can be used to determine eligibility. When projected income is used to determine eligibility, the following year's tax form must reflect a taxable income of \$60,000 or less. If it is above \$60,000, the family must pay back the total amount of subsidy dollars received.
- H. The parent or legal guardian completing the application must verify that the child is living with him/her or temporarily with a relative.
- I. A parent or legal guardian must sign the form attesting to the truth of all information provided.
- J. The CMHSP FSS coordinator's signature on the bottom of the application confirms that all back up documentation proving eligibility is on file at the CMHSP and that the CMHSP is verifying that the family is entitled to receive FSS payments. If the CMHSP FSS coordinator receives information that would cause a family to no longer be eligible to receive FSS payments, they must notify without delay, the statewide FSS coordinator by submitting via fax or other HIPAA compliant method, a MDHHS-1181, change of status, noting the change in the family's eligibility. Failure to do so by the CMHSP may result in the CMHSP reimbursing MDHHS for any payments issued to families who are ineligible to receive them.

K. The completed MDHHS-1181 application form is sent to:

Family Support Subsidy Program  
Michigan Department of Health and Human Services  
235 S. Grand Avenue, Suite 1310, Grand Tower Building  
Lansing, MI 48933  
FAX: 517-241-5777

L. The FSS statewide coordinator reviews the applications, verifies that eligibility is appropriately determined and enters the data into the program's check processing system. This data is transmitted to the Michigan Department of Treasury on a monthly basis. Near the 20th of each month, the Michigan Department of Treasury processes, prints and releases payments to eligible families.

#### **IV. DENIAL OF FAMILY SUPPORT SUBSIDY**

- A. Pursuant to Section 159(3) of the Code, "if an application for a family support subsidy is denied or a family support subsidy is terminated by a community mental health services program, the parent or legal guardian of the affected eligible minor may demand, in writing, a hearing by the community mental health services program. The hearing shall be conducted in the same manner as provided for contested case hearings under Chapter 4 of the Administrative Procedures Act of 1969, Act No. 306 of the Public Acts of 1969, being Sections 24.271 to 24.287 of the Michigan Compiled Laws."
- B. Pursuant to the Administrative Rules: Copies of blank application forms, parent report forms, the forms for changed family circumstances, and appeal forms shall be available from the community mental health services program. (R330.1616 Availability of forms) (Note: It is acceptable to ask families to write a letter to the CMHSP requesting an appeals hearing, in lieu of a standardized form.)
- C. A community mental health services program shall review an application and promptly approve or deny the application and shall provide written notice to the applicant and to the Michigan Department of Health and Human Services (MDHHS) Family Support Subsidy (FSS) office of its action and of the opportunity to administratively appeal the decision if the decision is to deny the application. If the denial is due to the insufficiency of the information on the application form or the required attachments, the CMHSP shall identify the insufficiency. (Rule R330.1641 Application review) The notice to the MDHHS FSS office must be a change in status on the MDHHS-1181 form noting the change in eligibility and must be submission by fax or other HIPAA compliant method within 10 working days.
- D. If an application is denied or the subsidy terminated, a parent or legal guardian may file an appeal. The appeal shall be in writing and be presented to the community mental health service program within two months of the notice of denial or termination. (R330.1643 Appeal)

- E. If an appeals hearing is held at the CMHSP and the presiding officer upholds the family's appeal in violation of Mental Health Code language, MDHHS shall require that the CMHSP reimburse MDHHS the disputed amount.
- F. Families wishing to appeal the decision of the CMHSP hearings officer may do so through circuit court in their county of residence.
- G. If a CMHSP approves an application in violation of Mental Health Code language or without full documentation proving eligibility, MDHHS shall require that the CMHSP reimburse MDHHS the disputed amount.

**V. LEGAL REFERENCES**

Mental Health Code Act, 258 MI. 330.1156-330.1161