

**DEPARTMENT
PHILOSOPHY****FIP**

DHS requires clients to participate in employment and self-sufficiency-related activities and to accept employment when offered. Our focus is to assist clients in removing barriers so they can participate in activities which lead to self-sufficiency. However, there are consequences for a client who refuses to participate, without good cause.

The goal of the FIP penalty policy is to obtain client compliance with appropriate work and/or self-sufficiency related assignments and to ensure that barriers to such compliance have been identified and removed. The goal is to bring the client into compliance.

Noncompliance may be an indicator of possible disabilities. Consider further exploration of any barriers.

**DEPARTMENT
POLICY****FIP**

All Work Eligible Individual (WEI) and adult non-WEIs (except ineligible grantees, clients deferred for lack of child care (DC) and disqualified aliens), see [PEM 228](#), who fail, without good cause, to participate in employment or self-sufficiency-related activities, must be penalized. Depending on the case situation, penalties include the following:

- Delay in eligibility at application.
- Ineligibility (denial or termination of FIP with no minimum penalty period).
- Case closure for a minimum of three or 12 months.

See [PEM 233B](#) for the Food Assistance Program (FAP) policy when the FIP penalty is closure. For the Refugee Assistance Program (RAP) penalty policy, see [PEM 233C](#).

**NONCOMPLIANCE
WITH
EMPLOYMENT
AND/OR SELF-
SUFFICIENCY-
RELATED
ACTIVITIES**

As a condition of eligibility, all WEIs and non-WEIs must work or engage in employment and/or self-sufficiency-related activities. **Noncompliance** of applicants, recipients, or member adds means doing **any** of the following **without** good cause:

Exception: Do not apply the three or 12 month penalty to ineligible caretakers, clients deferred for lack of child care (DC) and disqualified

aliens. Failure to complete a FAST or FSSP results in closure due to failure to provide requested verification. Clients can reapply at any time.

- Failing or refusing to:
 - Appear and participate with the Jobs, Education and Training (JET) Program or other employment service provider.
 - Complete a Family Automated Screening Tool (FAST), as assigned as the first step in the FSSP process.
Note: FIS should clear the FAST Fall Out Report and any FAST confirmation information the client has obtained before considering a client noncompliant for FAST noncompletion.
 - Develop a Family Self-Sufficiency Plan (FSSP) or a Personal Responsibility Plan and Family Contract (PRPFC).
Note: FIS must have scheduled a FSSP completion appointment with the client and the client failed to attend before considering a client noncompliant for FSSP noncompletion.
 - Comply with activities assigned on the Family Self Sufficiency Plan (FSSP).
 - Provide legitimate documentation of work participation.
 - Appear for a scheduled appointment or meeting related to assigned activities.
 - Participate in employment and/or self-sufficiency-related activities.
 - Accept a job referral.
 - Complete a job application.
 - Appear for a job interview (see the exception below).
- Stating orally or in writing a definite intent not to comply with program requirements.
- Threatening, physically abusing or otherwise behaving disruptively toward anyone conducting or participating in an employment and/or self-sufficiency-related activity.
- Refusing employment support services if the refusal prevents participation in an employment and/or self-sufficiency-related activity.

**REFUSING
SUITABLE
EMPLOYMENT**

Refusing suitable employment means doing **any** of the following:

- Voluntarily reducing hours or otherwise reducing earnings.
- Quitting a job (see exception below).

Exception: This does NOT apply if:

- The MWA verifies the client changed jobs or reduced hours in order to participate in an MWA approved education and training program.
- A teen parent or dependent child quits a seasonal job to return to a high school or GED program.
- Firing for misconduct or absenteeism (not for incompetence).

Note: Misconduct sufficient to warrant firing includes any action by an employee or other adult group member that is harmful to the interest of the employer, and is done intentionally or in disregard of the employer's interest, or is due to gross negligence. It includes but is not limited to drug or alcohol influence at work, physical violence, and theft or willful destruction of property connected with the individual's work.

- Refusing a bona fide offer of employment or additional hours **up to** 40 hours per week. A bona fide offer of employment means a definite offer paying wages of at least the applicable state minimum wage. The employment may be on a shift; full or part time **up to** 40 hours per week; and temporary, seasonal or permanent.

Exception: Meeting participation requirements is NOT good cause for refusing suitable employment, unless the employment would interfere with approved education and training.

See [Benefit Delay for Refusing Employment](#) later in this item for applicants refusing employment within 30 days prior to the date of application or while the application is pending. See [NONCOMPLIANCE PENALTIES FOR ACTIVE FIP CASES AND MEMBER ADDS](#) later in this item for member adds refusing employment within 30 days prior to the date of application or while the application for the member add is pending.

Do NOT penalize applicants or member adds that refused employment more than 30 days prior to the date of application or date of member add.

GOOD CAUSE FOR NONCOMPLIANCE

Good cause is a valid reason for noncompliance with employment and/or self-sufficiency-related activities that are based on factors that are beyond the control of the noncompliant person. A claim of good cause must be verified and documented for member adds and recipients. Document the good cause determination on the DHS-71, Good Cause Determination and the FSSP under the Participation and Compliance tab.

See [School Attendance](#) PEM 201 for good cause when minor parents do not attend school.

If it is determined during triage the client has good cause, and good cause issues have been resolved, send the client back to JET. Do not do a new JET referral.

Good cause includes the following:

Employed 40 Hours

The person is working at least 40 hours per week on average and earning at least state minimum wage.

Client Unfit

The client is physically or mentally unfit for the job or activity, as shown by medical evidence or other reliable information. This includes any disability-related limitations that preclude participation in a work and/or self-sufficiency-related activity. The disability-related needs or limitations may not have been identified or assessed prior to the noncompliance.

Illness or Injury

The client has a debilitating illness or injury, or an immediate family member's illness or injury requires in-home care by the client.

Reasonable Accommodation

The DHS, employment services provider, contractor, agency, or employer failed to make reasonable accommodations for the client's disability or the client's needs related to the disability.

No Child Care

The client requested child day care services (CDC) from DHS, the MWA, or other employment services provider prior to case closure for noncompliance and CDC is needed for a CDC-eligible child, but none is appropriate, suitable, affordable and within reasonable distance of the client's home or work site.

- **Appropriate.** The care is appropriate to the child's age, disabilities and other conditions.
- **Reasonable distance.** The total commuting time to and from work and child care facilities does not exceed three hours per day.
- **Suitable provider.** The provider meets applicable state and local standards. Also, providers (e.g., relatives) who are NOT registered/licensed by the DHS Office of Child and Adult Services must

meet DHS enrollment requirements for day care aides or relative care providers. See PEM 704.

- **Affordable.** The child care is provided at the rate of payment or reimbursement offered by DHS.

No Transportation The client requested transportation services from DHS, the MWA, or other employment services provider prior to case closure and reasonably priced transportation is not available to the client.

Illegal Activities The employment involves illegal activities.

Discrimination The client experiences discrimination on the basis of age, race, disability, gender, color, national origin, religious beliefs, etc.

Unplanned Event or Factor Credible information indicates an unplanned event or factor which likely prevents or significantly interferes with employment and/or self-sufficiency-related activities. Unplanned events or factors include, but are not limited to the following:

- Domestic violence.
- Health or safety risk.
- Religion.
- Homelessness.
- Jail.
- Hospitalization.

Comparable Work The client quits to assume employment comparable in salary and hours. The new hiring must occur before the quit.

Long Commute Total commuting time exceeds:

- Two hours per day, NOT including time to and from child care facilities, **or**
- Three hours per day, including time to and from child care facilities.

EFIP EFIP unless noncompliance is job quit, firing or voluntarily reducing hours of employment.

Clients Not Penalized Ineligible caretakers, disqualified aliens, and single parents that cannot find appropriate child care for a child under age 6 are not required to participate.

NONCOMPLIANCE PENALTIES AT APPLICATION

Noncompliance by a WEI while the application is pending results in **group** ineligibility. A WEI applicant who refused employment without good cause, within 30 days prior to the date of application or while the

application is pending must have benefits delayed. See “**Benefit Delay for Refusing Employment**” below.

Note: A non-WEI who does not complete the FAST within 30 days and the application is still pending is denied FIP.

A good cause determination is not required for applicants who are non-compliant prior to FIP case opening.

Benefit Delay for Refusing Employment

If a WEI applicant refuses suitable employment without good cause while the FIP application is pending (**or up to 30 days before the FIP application date**), approve FIP benefits no earlier than the pay period **following** the pay period containing the 30th day after the refusal of employment. Record the good cause determination on the DHS-71, Good Cause Determination.

For the definition of Refusing Suitable Employment [See PEM 233A, NONCOMPLIANCE WITH EMPLOYMENT AND/OR SELF-SUFFICIENCY-RELATED ACTIVITIES](#). Client applies for FIP on May 7. Client refuses work without good cause on May 21. The 30th day from the refusal date is June 20. FIP benefits may not be authorized for any pay period earlier than July 1.

Use a DHS-1150, Application Eligibility Notice, to explain the reason FIP benefits are delayed.

If a WEI member add refuses suitable employment without good cause while the FIP member add is pending, close the FIP for the minimum number of penalty months. See **NONCOMPLIANCE PENALTIES FOR ACTIVE FIP CASES AND MEMBER ADDS** below.

NONCOMPLIANCE PENALTIES FOR ACTIVE FIP CASES AND MEMBER ADDS

The penalty for noncompliance without good cause is FIP closure. Effective April 1, 2007, the following minimum penalties apply:

- For the first occurrence on the FIP case, close the FIP for not less than three calendar months unless the client is excused from the noncompliance as noted in [First Case Noncompliance Without Loss of Benefits](#) below.
- For the second occurrence on the FIP case, close the FIP for not less than three calendar months.
- For the third and subsequent occurrence on the FIP case, close the FIP for not less than 12 calendar months.

The penalty counter also begins April 1, 2007 regardless of the previous number of noncompliance penalties.

Begin the sanction period with the first pay period of a month. Penalties are automatically calculated by the entry of noncompliance without good cause on the FSSP. This applies to active FIP cases, including those with a member add who is a WEI JET participant.

Note: Do not apply the three or 12 month penalty to ineligible caretakers, clients deferred for lack of child care (DC) and disqualified aliens. Failure to complete a FAST or FSSP results in closure due to failure to provide requested verification. Clients can reapply at any time.

MIS REPORTS

Run the WF-726, DHS Termination Listing report on MIS to review a list of participants that were terminated from JET. Run this report daily. Access the termination list by doing the following:

- Select DHS Termination List under funding type.
- Select All Welfare Programs Except WTW.

This report contains a list of clients who were terminated for reasons other than noncompliance or due to electronic data shared by DHS. This may include that a client moved out of state. This report may prompt a follow-up with the client.

Run the Triage-DHS Report daily on MIS for a complete list of clients who become noncompliant with MWA activities.

Run the WF-320, No Show First Appointment report daily, for a list of clients who do not appear at JET.

Work Around for Noncompliant Member Adds

You must follow the instructions below when a member add is noncompliant with JET prior to being added to the FIP case:

- Schedule a triage (DHS-2444) with the noncompliant member and send a manual DHS-176, Client Notice, to the grantee for negative action/closure due to noncompliance. Use the language for either negative action code "405" or "407".
- Hold the triage.
- Follow all policies as noted in [First Case Noncompliance Without Loss of Benefits](#) below.
- If good cause exists, no further action is required; add the member.
- If good cause does not exist do the following work around before the closure date on the DHS-176 as you cannot enter the noncompliance for the member add that has not been activated:

- Add the member by activating them on CIMS.
- Record the noncompliance on the FSSP. Enter **all** data elements at one time as the FSSP will not be available after case closure.
- Immediately send a high priority email to the employment policy mailbox using standard procedures as outlined in PEM 100 and indicate the need for an immediate negative action to match the original negative action date on the DHS-176. Include the following information in the email:
 - Client name.
 - Client case number.
 - Client ID.
 - Negative action code.
 - Negative action date.
 - Identify the noncompliant group member and corresponding disqualification reason code.
 - Medicaid type for family.
 - Medicaid begin date, eligibility status and scope of coverage for all eligible group members.
- Central office will immediately close the case on the closure date or pend for the date on the DHS-176.

Note: Bridges will be able to identify pending member adds that our current systems cannot identify.

TRIAGE

JET participants will not be terminated from a JET program without first scheduling a triage meeting with the client to jointly discuss noncompliance and good cause. Locally coordinate a process to notify the MWA case manager of triage meetings including scheduling guidelines.

Clients can either attend a meeting or participate in a conference call if attendance at the triage meeting is not possible. If a client calls to reschedule an already scheduled triage meeting, offer a phone conference at that time. Clients must comply with triage requirements within the negative action period.

When a phone triage is conducted for a first noncompliance and the client agrees to comply, complete the DHS-754, First Noncompliance Letter, as you would complete in a triage meeting. Note in the client signature box Client Agreed by Phone. Immediately send a copy of the

DHS-754 to the client and phone the JET case manager if the compliance activity is to attend JET.

Determine good cause based on the best information available during the triage and prior to the negative action date. Good cause may be verified by information already on file with DHS or MWA. Good cause must be considered even if the client does not attend, with particular attention to possible disabilities (including disabilities that have not been diagnosed or identified by the client) and unmet needs for accommodation.

If the FIS, JET case manager, or MRS counselor do not agree as to whether good cause exists for a noncompliance, the case must be forwarded to the immediate supervisors of each party involved to reach an agreement.

DHS must be involved with all triage appointment/phone calls due to program requirements, documentation and tracking.

Note: Clients not participating with JET must be scheduled for a triage meeting between the FIS and the client. This does not include applicants.

PROCESSING THE FIP CLOSURE

Follow the procedures outlined below for processing the FIP closure:

- Send a DHS-2444, Notice of Employment and/or Self-Sufficiency-Related Noncompliance, within three days after learning of the noncompliance. You must include the following information on the DHS-2444:
 - The date(s) of the noncompliance.
 - The reason the client was determined to be noncompliant.
The penalty that will be imposed.
 - Schedule a triage to be held within the negative action period.
- Enter the negative action on CIMS using negative action code **Y405**.
- Determine good cause during triage and prior to the negative action effective date. Good cause must be verified and can be based on information already on file with the DHS or the JET program. Document the good cause determination on the DHS-71, Good Cause Determination.
- On the FSSP under the "Participation and Compliance" tab, record the noncompliance by entering **all** data elements at one time

under the Participation and Compliance tab after the outcome of the noncompliance is determined. The Noncompliance Maintenance on the main menu is used to record or correct a noncompliance record after case closure as long as a FSSP was previously opened for the client **below**.

First Case Noncompliance Without Loss of Benefits

If the noncompliant client meets or if a phone triage is held with a FIS and/or the JET case manager and the decision regarding the noncompliance is No Good Cause, within the negative action period, do the following:

1. Review and modify the FSSP as necessary during the triage.
2. Discuss and provide a DHS-754, First Noncompliance Letter, regarding sanctions that will be imposed if the client continues to be noncompliant.
3. Offer the client the opportunity to comply with the FSSP by the due date on the DHS-754 and within the negative action period.
4. Advise the client that the instance of noncompliance will remain on record even if the client complies. The noncompliance will be excused, but not erased and could result in longer sanctions if the client is noncompliant in the future.
5. If the client **accepts** the offer to comply and agrees with the department's decision of noncompliance without good cause, use the first check box on the DHS-754 and document compliance activities. Include the number of hours of participation the client must perform to meet the compliance activity requirement. Advise the client that verification of the compliance is required by the due date on the DHS-754.
6. When a phone triage is conducted for a first noncompliance and the client agrees to comply, complete the DHS-754 as you would complete for an in-person triage meeting. When completing the form note in the client signature box Client Agreed by Phone. Immediately send a copy of the DHS-754 to the client and phone the JET case manager if the compliance activity is to attend JET and the JET case manager was not included in the phone triage.
7. Delete the negative action entered when the DHS-2444 was issued and enter a new negative action on CIMS using negative action code **Y405** if the compliance activity cannot be completed before FIP case closure takes effect.
8. Enter the outcome of the Excuse on the FSSP as defined below.

Note: Verification of completion of a compliance activity may include a signed copy of the DHS-754 or any collateral contact with JET or other service provider.

9. When the client verifies compliance within the negative action period and is meeting the assigned activity that corrects the non-compliance, delete the second negative action. If the case closed in error, reinstate the case with no loss of benefits.
10. If the client **does not accept** the offer to comply, document the decision on the FSSP under the Participation and Compliance tab and allow the case to close.
11. If the client does not agree with the department’s decision of non-compliance without good cause, use the second check box on the DHS-754 that advises the client not to sign the form. Assist the client with filing a hearing request and advise them that if they lose the hearing, they will receive a new notice of noncompliance and a new meeting date and they have the right to agree to the activities outlined on the DHS-754 and avoid the financial penalty at that time unless another group member uses the family’s first excuse before the hearing issue is settled.

Send a new DHS-2444 with an appointment date and time and put the case in negative action using negative action code **Y405** or **Y407**. The client must attend the triage and comply with assigned activities within the negative action period.

If the client fails to meet or contact the FIS within the negative action period or fails to provide verification of compliance without good cause, the three-month sanction applies.

This policy only applies for the first case of noncompliance on or after April 1, 2007. It is only offered one time for each case for the first non-compliant member on that case when there is no good cause.

Entering and Tracking Penalty Periods for Active FIP Cases and Member Adds

When a recipient or member add is penalized for noncompliance, **do not** use FDQM to enter the penalty period. For graduated penalties and Bridges conversion, the only tracking mechanism available is the FSSP. On the FSSP under the Participation and Compliance tab record the noncompliance by entering **all** data elements at one time as the FSSP will not be available after case closure. Enter the following penalty information for tracking purposes:

Date of the Noncompliance

This is the date the client was considered to be noncompliant.

Type

This field describes the type of noncompliance. Enter or select one of the three options available: FAST Completion, FSSP Development and

Other. Use Other for all noncompliance reasons except noncompliance with FAST or FSSP.

Date DHS-2444 Sent

Date the noncompliance notice is sent.

Date of Triage

Date the triage appointment is scheduled or rescheduled.

Client Attended

Select **yes** if the client did attend the triage or participated in a phone conference and select **no** if the client did not attend the triage or participate in a phone conference. N/A is used when good cause was found without a triage.

Outcome

Select **Good Cause Granted** if the client verified a good cause reason for the noncompliance. Select **No Good Cause** if the client does not have good cause for the noncompliance.

Date of Determination

Date you determined good cause.

Excused

Select **Accepted** under the **Excuse** field if the client accepted the compliance offer on the first noncompliance on or after April 1, 2007. Enter **Refused**, if the client does not accept the compliance offer. It is very important to indicate you are giving the client the opportunity to comply. If the client is given this opportunity, the system will automatically count this as the first penalty even if the client does not lose their benefits.

The individual's noncompliance counter will incrementally increase on the noncompliant members individual screen and will increase the case counter.

Note: If a penalized or previously penalized client moves from one group to another, their individual counter goes with them and will incrementally increase the case level counter for the new group. The penalty counter under the previous case number will decrease even when the sanction period still applies.

Noncompliance penalty history entered on the FSSP, when available on or after April 1, 2007, will be displayed on any future or new FSSPs as new episodes of assistance occur.

Good Cause Established

If the client establishes good cause within the negative action period, do **NOT** impose a penalty. See [Good Cause for Noncompliance](#) earlier in this item. Send the client back to JET, if applicable, after resolving transportation, CDC, or other factors which may have contributed to the good cause. Do not enter a new referral on ASSIST. Enter the good cause reason on the DHS-71 and on the FSSP under the Participation and Compliance tab.

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|---|---|
| Good Cause NOT Established | If the client does NOT provide a good cause reason within the negative action period, determine good cause based on the best information available. If no good cause exists, allow the case to close. If good cause is determined to exist, delete the negative action. |
| Good Cause Established Prior to Negative Action Date | If good cause is established before the negative action effective date, delete the negative action. If the client continues to be a WEI send the client back to JET after resolving issues that may have contributed to the good cause. Do not enter a new referral on ASSIST. |
| Noncompliance FAP | For all acts of noncompliance, see PEM 233B, “ FAILURE TO MEET EMPLOYMENT REQUIREMENTS: FAP ”, FIP Closure Due To Non-compliance or Refusing Employment and budget the “Last FIP” grant amount on the FAP for the number of months being served for the FIP penalty. |
| Medicaid | Termination of FIP for noncompliance with employment-related activities does not mean ineligibility for Medicaid. Determine eligibility for Medicaid as part of the closure process. |
| Systems Tip | Enter disqualified member code M and negative action code 405 for the first and second noncompliance or negative action code 407 for the third or subsequent noncompliance on the FNEG. Do not enter the SA employment code or you have to do another referral when the client has good cause or the client completes the activities outlined on the DHS-754, first noncompliance without loss of benefits. No new referral to JET is required for these clients. A re-referral will be rejected and add names to the engagement report unnecessarily. |
| Overlapping Negative Actions and Client Requests | <p>When FIP is expected to close for a reason unrelated to noncompliance (including verbal or written client request) before a noncompliance negative action can take effect, use the following guidelines:</p> <ul style="list-style-type: none"> • If a DHS-2444, Notice of Employment and/or Self-Sufficiency-Related Noncompliance, is issued to a noncompliant person prior to their verbal or written request for case closure or for any other reason, proceed with the noncompliance determination. If the client does not have good cause for the noncompliance, follow procedures outlined in PEM 233A under PROCESSING THE FIP CLOSURE. • If a DHS-2444, Notice of Employment and/or Self-Sufficiency-Related Noncompliance, has not been issued before the verbal or written request for closure, or closure is initiated for any other reason, do not proceed with the noncompliance determination. <p>Note: You can enter disqualification (DQ) code M at the case level when negative action is pending for any reason as long as you enter the M prior to the negative action effective date.</p> |

Multiple Noncompliances

When a FIP recipient is noncompliant with more than one activity, such as child support, the employment-related penalty takes priority. Continue with the employment penalty and use the following procedures for the second noncompliance that occurred either at the same time or after the employment penalty process started:

- Send a manual DHS-176 with all information as outlined in the corresponding negative action notice message.
- If the client has good cause for the employment-related noncompliance and a penalty is not imposed, revert to the hand-written notice for the other noncompliance.
- If the other unrelated noncompliance takes affect, you must send a high priority (red) email to the employment policy mailbox for immediate processing that includes:
 - Client name.
 - Client case number.
 - Client ID.
 - Negative action code.
 - Negative action date.
 - Identify the noncompliant group member and corresponding disqualification reason code.
 - Medicaid type for family.
 - Medical begin date, eligibility status and scope of coverage for all eligible group members.
- If the employment-related noncompliance takes affect, hold the other noncompliance information in the case record until the client reapplies. At the point of reapplication, the client must cooperate with or remedy the other noncompliance prior to FIP eligibility or FIP would be denied.

Noncompliant Member Leaves The Home

If the noncompliant member LEAVES the home PRIOR to issuing a DHS-2444, Notice of Noncompliance, do not act on the closure. If the noncompliant member joins a new group in this instance, the penalty would apply to the new group. Continue to process the good cause determination and noncompliance for the new group.

If the noncompliant member LEAVES the home AFTER a DHS-2444, Notice of Noncompliance is sent or the FIP closure has taken effect, continue to impose the sanction for the remainder of the sanction period

on the original FIP group. The noncompliant member takes their individual penalty counter with them to the new group and reduces the case penalty counter of the original group. If the noncompliant member RETURNS to the home AFTER the FIP closure, follow procedures in [REAPPLICATION and REINSTATEMENT](#) below.

Exception: If a FIP case is closed due to noncompliance and subsequently a new caretaker applies for FIP for the children of a sanctioned case, determine FIP eligibility for the new group. You cannot transfer grantees on a case after a DHS-2444, Notice of Employment and/or Self-Sufficiency-Related Noncompliance is issued. Verify absence of the noncompliant person if it is questionable.

Minor Parents

For a minor parent, school attendance is a condition of eligibility. [[See PEM 201.](#)] When you learn the minor parent is not meeting attendance requirements, do one of the following:

- Deny the FIP application if there is no other child in the FIP eligible group. [Do NOT consider the minor parent's child to be another eligible child.] Determine eligibility for MA, FAP, and any other programs the client is requesting.
- Disqualify the minor parent and his/her child if there **is** another child in the FIP eligible group. [*Enter Disqualification Code U on FNEG and FDQM.*] For applications, process the case with the other eligible members and disqualify the minor parent and his/her child. For active cases, disqualify the minor parent and his/her child from the eligible group. This situation is a slightly different penalty because the case is not closing. Determine continued eligibility for MA and FAP for the minor parent and child.

REAPPLICATION AND REINSTATEMENT

There is no minimum sanction period on applications denied due to noncompliance. If the noncompliance was for an applicant refusing employment, see [Benefit Delay for Refusing Employment](#). Clients may reapply at any time. All other penalties for noncompliance must be in effect for the minimum number of months of the penalty.

Reinstatement

Reinstate the case when the following conditions have been met:

- The FIP closed for noncompliance with employment and/or self-sufficiency-related activities, **and**
- The client met the requirements outlined above, see [First Case Noncompliance Without Loss of Benefits](#) **and**
- The case closed in error.

Systems Tip

Remove the DQM code on FPOS or FSOP.

See PAM 205, [REINSTATEMENTS](#) for reinstatement procedures. Use the following codes:

- ET - Reinstatement reason.
- 052 - Reinstatement open code.

Clients who do NOT fulfill the requirements outlined under [First Case Noncompliance Without Loss of Benefits](#) and whose case subsequently closes, must reapply according to policy in [PAM 110](#). They are subject to “[Initial Benefits](#)” policy in PAM 115 and the sanction applies.

HEARINGS

Expedited Hearings

Staff must identify cases for SOAHR (administrative hearings) when a client files a hearing based on closure due to noncompliance with an employment and/or self-sufficiency related activity. SOAHR has agreed to expedite these hearing requests in an effort to engage clients in a timely manner and improve the state’s overall work participation rate. Write “**Expedited Hearing E&T**” at the top of the hearing request so that it can be easily identified as a priority. Refer to PAM 600, [Expedited Hearings](#) for additional instructions.

Hearing Decisions

When a hearing decision is upheld for noncompliance, impose the penalty for the first full month possible for either three or 12 months. Do not recoup benefits. For hearings related to the first noncompliance, follow instructions in [First Noncompliance Without Loss of Benefits number 11, above](#).

Do not use negative action code **053** - Immediate Closure due to Hearing Decision, or the penalty count will not increase and the FSSP will not display the penalty period. Immediately send a high priority email to the employment policy mailbox using standard procedures as outlined in PEM 100 and indicate the need for an immediate negative action. Include the following information in the email:

- Client name.
- Client case number.
- Client ID.
- Negative action code.
- Negative action date.
- Identify the noncompliant group member and corresponding disqualification reason code.
- Medicaid type for family. Medicaid begin date, eligibility status and scope of coverage for all eligible group members.

Note: Refer to PAM 102, FIP Time Limits, for a description of how penalty months apply to state time limits.

LEGAL BASE

MCL 400.57g
42 USC 607