

## **Report Summary**

Performance Audit

Partnership. Accountability. Training. Hope.

(PATH) Program Deferrals

Michigan Department of Health and Human Services (MDHHS)

**Report Number:** 491-3302-25

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The PATH Program is a partnership between MDHHS and Workforce Development, Department of Labor and Economic Opportunity, with a primary purpose of identifying and overcoming barriers to obtaining employment and self-sufficiency. It connects clients who receive cash assistance with the types of jobs, education, and training opportunities to help them achieve self-sufficiency and meet the workforce and skill needs of Michigan businesses. MDHHS requires all work-eligible individuals seeking or receiving cash benefits to participate in the PATH Program, unless deferred or engaged in other employment-related activities. Reasons for deferrals may include, but are not limited to, Supplemental Security Income (SSI) eligibility for disability, aged individuals, caring for a disabled spouse or child, full-time employment, and the parent of a child under 2 months old. During the audit period, approximately 65,600 individuals received cash assistance. Of those, an average of 1,988 individuals per month (916 SSI-related and 1,072 non-SSI related) had a deferral from the PATH Program. During this same time period, payments related to individuals receiving cash assistance totaled \$59.3 million.

Section 400.57b(5) of the *Michigan Compiled Laws* requires the OAG to conduct an annual audit of MDHHS's evaluation and assessment process to defer SSI applicants from the PATH Program.

Audit Objective			Conclusion	
Objective: To assess the effectiveness of MDHHS's processes to defer SSI and non-SSI applicants from the PATH Program.			Moderately effective	
Findings Related to This Audit Objective	Material Condition	Reportable Condition		Agency Preliminary Response
We noted noncompliance with PATH Program guidelines for 28% and 9% of our sampled SSI and non-SSI deferrals, respectively. MDHHS did not ensure some deferrals applied for SSI benefits, were referred for a medical certification, provided support for the deferral, were coded properly, or were timely discontinued (Finding 1).		X		Agrees

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