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STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING

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INTERIM DIRECTOR

April 1, 2015

The Honorable Peter MacGregor, Chair  
Senate Appropriations Subcommittee on DHS  
Michigan State Senate  
Lansing, Michigan 48933

The Honorable Earl Poleski, Chair  
House Appropriations Subcommittee on DHS  
Michigan House of Representatives  
Lansing, Michigan 48933

Dear Senator MacGregor and Representative Poleski:

Section 222(3) of Public Act 252 of 2014, Article X, Part 2, Provisions Concerning Appropriations for Fiscal year 2014-2015, requires the Department of Human Services (DHS) to report on the following:

*"The department shall report no later than April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies. The department shall attach each policy bulletin issued during the prior calendar year to this report."*

Those policy changes made during the calendar year 2014 to implement a public act affecting the department are attached. In addition, all DHS policy bulletins can be found on the DHS website at [www.mfia.state.mi.us/olmweb/ex/html/](http://www.mfia.state.mi.us/olmweb/ex/html/)

If you have any questions about the attached material, please contact Judith Galant, policy coordinator, at (517) 241-7084.

Sincerely,

  
Susan Kangas  
Chief Financial Officer

Attachment

cc: Senate and House Appropriations Subcommittees on DHS  
Senate and House Fiscal Agencies  
Joint Committee on Administrative Rules

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**DEPARTMENT OF HUMAN SERVICES 2014 POLICY CHANGES DUE TO A PUBLIC ACT**

The department shall report no later than April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies. The department shall attach each policy bulletin issued during the prior calendar year to this report.

**ADOPTION SUBSIDY****AAB 2014-003**

Effective: October 2014.

**AAM 410, Redetermined Adoption Assistance Program.**

The redetermined adoption assistance program is a state-funded program. It is intended to allow a one-time eligibility determination per adoptee with an active adoption assistance agreement. A redetermination of care rate is a supplemental payment that may be justified when extraordinary care and/or expenses are required. Documentation must verify that the extraordinary care and/or expenses are related to a condition that existed, or the cause of which existed, prior to the adoption and that the child's current adoption assistance rate does not include payment related to this condition. The condition must be verified by the appropriate licensed professional that practices in the adoptive parent(s)/legal guardian's (if adoptive parent(s) is/are deceased) state of residence.

Adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began on or after January 1, 2015**, may submit a one-time application for the Redetermined Adoption Assistance Program, if the adoptee has a condition that existed, or the cause of which existed, prior to the adoption that requires extraordinary care and/or expenses and if the adoptee's current adoption assistance rate does not include payments related to this condition.

Adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began prior to January 1, 2015**, may only submit a one-time application for the Redetermined Adoption Assistance Program between January 1, 2015, and March 31, 2015.

**Note:** An application for this program may only be made one time per child. If an application is denied, subsequent applications will not be accepted.

*Reason:* Public Act 308 of 2014.

### BRIDGES

BPB 2014-018

Effective: September 1, 2014.

### Children's Clothing Allowance

#### FAMILY INDEPENDENCE PROGRAM (FIP)

The 2014 Fiscal Appropriation Act included funding for the children's clothing allowance. The allowance is intended to assist FIP families to purchase school clothing for their children.

The children's clothing allowance for the 2014 fiscal year is \$127 per child and is excluded as income for all programs.

### ELIGIBILITY CRITERIA

- The FIP eligibility determination group (EDG) must be active as child-only FIP EDG.
- All eligible children on the child-only FIP EDG will receive the clothing allowance. The eligible child must be eligible for FIP during September 2014. This includes children receiving SSI in the FIP EDG. Disqualified children will not receive the clothing allowance supplement.
  - Exception: Children disqualified for not having a Social Security number will receive the clothing allowance supplement.

### Definition

A child-only FIP EDG is defined as an EDG in which there is not an eligible adult on the EDG. These could include the following:

- Ineligible grantees (grandparents, aunt or uncle that are not recipients on the FIP EDG).
- Parent(s) receiving SSI.
- Unrelated guardians who are court-appointed.

- A FIP EDG in which an eligible adult is disqualified will not receive a clothing allowance supplement.

## PAYMENTS

Bridges will automatically issue supplements for the children's clothing allowance to FIP EDGs with qualifying children who are eligible for September FIP payments in Bridges as of the single deadline date of August 31, 2014. The children's clothing allowance supplement is deposited into the client's EBT cash account.

The supplement amount will include \$127 for each eligible child. The supplement will be automatically issued if the FIP EDG is active on August 31, 2014 for September benefits. A supplement will be deposited into the client's EBT cash account at the same time as the FIP payment is issued, but will appear as a separate payment. The supplement will be viewable in Bridges under Benefit Issuance and View Benefits.

Any request for new FIP EDG openings or member adds for September 2014 that are processed after the initial clothing allowance monthly payroll run for September will require an exception. Please contact Bridges Resource Center at [dhsbridgeshelpdesk@michigan.gov](mailto:dhsbridgeshelpdesk@michigan.gov) in order to request a supplement for the FIP EDG.

**Note:** Once the funding for the children's clothing allowance is depleted, there will be no additional funds allocated, regardless of the eligibility of the FIP EDG.

A letter from the Department of Human Services Director will be mailed to eligible clothing allowance supplemental households in August. This letter advises eligible families of the allowance coming in September to help with the cost of children's clothing.

For questions regarding this bulletin please email the FIP policy mailbox: [PolicyFIP-SDA-RAP@michigan.gov](mailto:PolicyFIP-SDA-RAP@michigan.gov).

*Reason:* Public Act 252 of 2014.

**BPB 2014-019**

Effective: October 1, 2014.

**BAM 130****Medicaid**

The number of routine extensions given for verification of needed information is reduced from three to two with additional extensions given with supervisor review and approval. The department must make every effort to assist the applicant in obtaining the verifications.

*Reason:* Public Act 200 of 2012.

**BEM 400****FIP, RCA and SDA Only**

The asset limit for real property assets has decreased to \$200,000.

*Reason:* Public Act 252 of 2014.

**BAM 125****ALL PROGRAMS**

Public Act 523 of 2012 requires individuals to present photo identification when registering to vote in person. If an individual does not possess photo identification, he/she is permitted to sign an affidavit form to this effect.

Acceptable photo identification documents include:

- Michigan driver's license or Michigan personal identification card (current or expired).
- Current driver's license or personal identification card issued by another state.
- Current federal or state government-issued photo identification.
- Current U.S. passport.
- Current student identification with photo – from a high school or an accredited institution of higher education.
- Current military identification card with photo.
- Current tribal identification card with photo.

Voter registration applicants that do not possess one of the above-listed photo ID documents may sign the DHS-1185, Affidavit of Voter not in Possession of Picture Identification Form. This form is available in the DHS Forms Library.

The DHS-1185 should be stapled to the voter registration form (NSP-938B or NSP-938B-SP) and sent to the local clerk using standard local office procedures.

*Reason:* Public Act 253 of 2012.

#### **FOSTER CARE**

**FOB 2014-001**

Effective: February 1, 2014.

#### **FOM 722-6, Case Planning**

Reasonable efforts are not required when a parent is required by court order to register under the Sex Offenders Registration Act.

*Reason:* Public Act 115 of 2012.

#### **JUVENILE JUSTICE FIELD SERVICES**

**JJB 2014-001**

Effective: May 1, 2014.

#### **JJ2 210, Pre-Sentence Investigations**

Juvenile Justice Pre-Sentence Investigations, JJ2 210, has been updated to include the contents of Waiver Procedures - Family Court, JJ2 225 due to the highly related content. JJ2 210 has been updated to provide clarification on required elements of the pre-sentence report and the circumstances under which the pre-sentence report is required. It also provides clarification regarding how to enter a pre-sentence investigation case into MiSACWIS.

*Reason:* Public Act 540 of 2012.

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**EFFECTIVE**

July 1, 2014.

**Subject(s)**

1. Rate determination process.
2. New application and agreement requirements.

**1) Rate  
determination  
process****AAM 210, Adoption Assistance Rate Determination:****Rate Determination Overview Process**

After a child is determined eligible for adoption assistance as a special needs child, an adoption assistance payment rate is determined.

**Note:** Prospective adoptive parent(s) may waive their right to have an eligibility determination for adoption assistance by signing section two of the DHS-4081, Intent Statement; see AAM 100, Program Overview.

The adoption assistance rate is not based on the adoptive parent(s) income or a means test. The negotiated adoption assistance rate takes into consideration the needs of the child and the circumstances of the adoptive family. The following steps are used to establish the ongoing daily adoption assistance payment rate:

1. The adoption worker will assist the prospective adoptive parent(s) with completing the DHS-959, Adoption Assistance Rate Determination Worksheet. Completion of the DHS-959 is the first step in the adoption assistance rate negotiation process. The prospective adoptive parent(s) will request a daily adoption assistance rate on the DHS-959, based on the information provided on the form. The requested rate cannot exceed the maximum foster care rate the child is receiving or would receive if placed in a licensed foster family home.
2. After the adoption worker assists the prospective adoptive parent(s) with completing the DHS-959, Adoption Assistance Rate Determination Worksheet, the adoption worker sends the DHS-959 and supporting documentation along with the application packet to the Adoption Subsidy Office.

**Note:** The DHS-959 takes into consideration the needs of the child and the circumstances of the prospective adoptive family.

3. The Adoption Subsidy Office reviews the information contained in the completed DHS-959, including the rate requested by the prospective adoptive parent(s) and may either accept the requested rate or determine and offer a new rate based on the information provided. The rate shall not exceed the foster care rate which was paid, or would have been paid if the child had been in a foster family home, which is the maximum adoption assistance daily rate.
4. The Adoption Subsidy Office will prepare and send to the adoption worker a proposed DHS-4113, Adoption Assistance Agreement, which includes the offered adoption assistance rate and the maximum adoption assistance rate.
5. The adoption worker must meet with the prospective adoptive parent(s) to discuss the offered rate and review the agreement.

**Note:** This discussion must occur within seven calendar days of receipt of the DHS 4113, Adoption Assistance Agreement.

6. The prospective adoptive parent(s) will either accept the offered daily rate and sign the DHS-4113 or reject the offered rate and submit a written request to the Adoption Subsidy Office for a rate review which includes their requested rate and supporting documentation. The prospective adoptive parent(s) must either sign the DHS-4113, or request a rate review within 14 calendar days of receiving the DHS-4113.

**Note:** Refusal to accept the offered adoption assistance rate, in and of itself, will not result in adverse action by the department.

7. If a rate review is requested, the review will be conducted by the adoption subsidy manager or DHS designee. Within seven calendar days of the review, the Adoption Subsidy Office will either:
  - Send a new DHS-4113, Adoption Assistance Agreement, with a change to the offered rate, to the adoption worker for the required signatures; or
  - Offer a rate review conference with the adoption worker, prospective adoptive parent(s) and the adoption subsidy manager or DHS designee regarding the rate. The rate

review conference will be held within 14 calendar days of the offer. A rate determination following a rate review conference will be made by the Adoption Subsidy office within seven calendar days following the conference.

**Note:** If the prospective adoptive parent(s) does not want a rate review and/or objects to the outcome of the conference, he/she may request an administrative hearing in writing; see AAM 700.

The DHS-4113, Adoption Assistance Agreement, **must** be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.

### **Agreed Upon Ongoing Rate**

The agreed upon ongoing adoption assistance rate is determined by agreement between the adoptive parent(s) and the department taking into consideration the circumstances of the prospective adoptive family and the needs of the child being adopted. The circumstances of the family and the needs of the child are determined through a discussion between the prospective adoptive parent(s) and the adoption worker, using the DHS-959, Adoption Assistance Rate Determination Worksheet.

### **Renegotiation**

If the adoptive parent(s) agree to an ongoing adoption assistance rate that is less than the maximum daily rate indicated on the DHS-4113, they may request a renegotiation of the rate (up to the maximum adoption assistance daily rate set by the Adoption Subsidy Office) when extraordinary circumstances occur that will impact the child's needs or family circumstances over an extended period of time, using the DHS-959, Adoption Assistance Rate Determination Worksheet.

**Note:** Supporting documentation is required.

## 2) New application and agreement requirements

### **AAM 500, Adoption Assistance Agreements:**

#### **Obtaining agreements**

The DHS-959, Adoption Assistance Rate Determination Worksheet is required to be submitted with the DHS -1341, Adoption Assistance and/or Medical Subsidy Application, to the Adoption Subsidy Office.

#### **Adoption Medical Subsidy Agreements**

If the medical subsidy agreement(s) have not been signed by the prospective adoptive parent and returned to the Adoption Subsidy Office within 90 calendar days of the issuance of the agreement(s), the adoption worker must submit a DHS-4817, Adoption Assistance Program Change Request, to request a new agreement.

#### **Agreement procedures**

The Adoption Subsidy Office determines the maximum adoption assistance daily rate for eligible children. The rate shall not exceed the foster care rate which was paid, or would have been paid if the child had been in a foster family home. The Adoption Subsidy Office reviews the information contained in the completed DHS-959, including the rate requested by the prospective adoptive parent(s) and may either accept the requested rate or determine and offer a new rate based on the information provided.

*Reason:* To align policy with training provided on the adoption assistance negotiation process.

Communication Plan: Job aids and CI memo.

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**EFFECTIVE**

July 1, 2014.

**Subject(s)****AAM 140, Recoupment:****Recoupment**

Recovery of subsidy overpayments is handled by the Reconciliation and Recoupment Unit in Central Office.

**Notice of Non-Support Process**

Notice of non-support uses the DHS-1184, Initial Letter Regarding Support, form to notify adoptive parent(s) that they must provide a written response and supporting documentation of any support for the adoptive child within 14 calendar days of receipt of the notification.

**Recoupment Process When Eligibility Ceases to Exist**

The recoupment process for an overpayment will be immediately initiated when the Adoption Subsidy Office is notified that adoption subsidy eligibility no longer exists; see AAM 620-Post Placement Adoption Subsidy Duration-All Programs, for more information regarding eligibility criteria. The Adoption Subsidy Office will initiate the recoupment process by issuing the DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, to the adoptive parent(s).

The DHS-4103 must be mailed to the adoptive parent(s) along with the DHS-325-AA, Debtor Repayment Agreement. The DHS-325-AA informs the adoptive parent(s) that they have the option to make payment in full, have a reduction in their subsidy (if currently receiving subsidy for another child) or make monthly payments. The Adoption Subsidy Office must upload a copy of the DHS-4103 and the DHS-325-AA, into MiSACWIS.

The adoptive parent(s) must indicate which repayment option they have selected from the options listed above by one of the following actions:

- Send a check or money order for the entire amount due to the DHS Cashiers Unit, or

- Return a signed copy of the DHS-325-AA, to Reconciliation and Recoupment Unit, Suite 1010, PO Box 30037, Lansing MI 48909 with one of two boxes checked, either subsidy reduction (only can occur if provider has an active adoption assistance case) or manual monthly payments made to the DHS Cashiers Unit.

**Note:** Recovery of adoption assistance overpayments is handled by the Reconciliation and Recoupment Unit in Central Office.

### **Reconciliation and Recoupment Overpayment Process**

Whenever the adoptive parent(s) have questions regarding how the amount of overpayment was determined, the Reconciliation and Recoupment Unit will direct the adoptive parent(s) to the Adoption Subsidy Office to address the adoptive parent(s) concerns.

After the Adoption Subsidy Office addresses any concerns or disputes with the adoptive parent(s), the Adoption Subsidy Office may make changes to the recoupment amount or time period that the overpayment was to have occurred. The Adoption Subsidy Office will reflect this on a revised, DHS-4103 and send an updated DHS-325-AA to the adoptive parent(s). The Adoption Subsidy Office may determine that the initial recoupment amount and dates were correct and will notify the Reconciliation and Recoupment unit to proceed with recoupment of funds.

If the DHS-4103 is revised, copies must be uploaded in MiSACWIS and must be sent to the Reconciliation and Recoupment Unit and the adoptive parent(s).

The Reconciliation and Recoupment Unit monitors for repayments compliance based on the signed DHS-325-AA, Debtor Repayment Agreement, and assesses for delinquency in payments.

### **Attorney General Referral**

In the event a debt due to an overpayment of adoption assistance becomes delinquent, the debt may be referred by Reconciliation and Recoupment staff to the Attorney General's Office for further collection efforts. The Attorney General's Office will pursue collections on such claims through: voluntary repayments, civil lawsuits, probation violations and seizure/garnishment on civil and criminal restitution orders.

**Office of Inspector General's Referral**

*Reason:* A referral to the Office of Inspector General shall be made if fraud is suspected. The Adoption Subsidy Office must make a referral to the Office of the Inspector General for investigation, using the DHS-834, Fraud Investigation Request.

*Reason:* Clarification and prevention of fraud.

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**EFFECTIVE**

October 1, 2014.

**Subject(s)**

New Item

AAM 410, Redetermined Adoption Assistance Program.

The redetermined adoption assistance program is a state-funded program. It is intended to allow a one-time eligibility determination per adoptee with an active adoption assistance agreement. A redetermination of care rate is a supplemental payment that may be justified when extraordinary care and/or expenses are required. Documentation must verify that the extraordinary care and/or expenses are related to a condition that existed, or the cause of which existed, prior to the adoption and that the child's current adoption assistance rate does not include payment related to this condition. The condition must be verified by the appropriate licensed professional that practices in the adoptive parent(s)/legal guardian's (if adoptive parent(s) is/are deceased) state of residence.

Adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began on or after January 1, 2015**, may submit a one-time application for the Redetermined Adoption Assistance Program, if the adoptee has a condition that existed, or the cause of which existed prior to the adoption which requires extraordinary care and/or expenses and if the adoptee's current adoption assistance rate does not include payments related to this condition.

Adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began prior to January 1, 2015**, may only submit a one-time application for the Redetermined Adoption Assistance Program between January 1, 2015 and March 31, 2015.

**Note:** An application for this program may only be made one time per child. If an application is denied, subsequent applications will not be accepted.

*Reason:* To align with changes made to Michigan Compiled Law.

Communication Plan: Redetermination of adoption assistance rate job aid.

**EFFECTIVE**

February 1, 2014.

**Subject(s)**

The software we use to write policy manuals is changing. We are converting manuals one at time from our old system which was Adobe FrameMaker to our new Microsoft system. Historical policy will be viewable as a PDF file for internal DHS users.

As manuals are converted they will be listed on the Policy News & Tips page for internal DHS users. Unless the bulletin states otherwise, no policy content will be changed although the policy effective date will change due to conversion.

The Child & Family Services Glossary has been converted to the Adoption Services Glossary and will have a February 1, 2014 effective date. No policy content has been changed.

Tips for using the new manual software for internal DHS users are located on the Policy News & Tips page.

*Reason:* Policy software update.

**EFFECTIVE**

April 1, 2014.

**Subject(s)**

**MULTIETHNIC PLACEMENT ACT COMPLAINT PROCEDURES**

SRM 142, MEPA COMPLAINT PROCEDURES, was made obsolete with Policy Bulletin SRB 2013-002, effective July 1, 2013.

SRM 142, MEPA COMPLAINT PROCEDURES, is being added to the Adoption Services manual as information it contained is not available elsewhere.

*Reason:* Information required for state plan approval.

**EFFECTIVE**

January 1, 2014.

**Subject(s)****ASM 377*****Annual payment rates update.***

Supplemental Security Income (SSI) and State Disability Assistance (SDA) payment rates for domiciliary and personal care in adult foster care homes and the homes for the aged increased by 1.5 percent effective January 1, 2014.

***Personal Care Allowance***

The personal care allowance for SSI clients remains at \$44.00 per month.

The personal care allowance for SDA clients remains at \$49.00 per month.

***Medicaid Personal Care Supplement***

The Medicaid personal care supplement remains at \$192.38 per month.

**EFFECTIVE**

January 1, 2014.

**Subject(s)**  
**ASM 377**

***Annual payment rate corrections.***

State Disability Assistance (SDA) payment rates for domiciliary and personal care in adult foster care homes had incorrect rates calculated for the 2013 year.

- SDA/Foster Care Domiciliary-\$711.00
- SDA/Foster Care Personal-\$781.00

***Personal Care Allowance***

The personal care allowance for SDA clients remains at \$49.00 per month.

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**EFFECTIVE**

January 1, 2014.

**Subject(s)**

**Due to technical difficulties the implementation of MAGI-related Medicaid will be delayed. As such, the change to MAGI methodology income budgeting will not be effective January 1, 2014 as planned. Individuals should apply for Medicaid using the current processes.**

**Modified Adjusted Gross Income (MAGI) Related Medicaid**

The Affordable Care Act of 2010 is the collective term for the Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

MAGI for purposes of Medicaid eligibility is a methodology which State agencies and the Federally Facilitated Marketplace (FFM) must use to determine financial eligibility. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information.

MAGI groups include the categories formerly referred to as FIP-related Medicaid. Eligibility for children under 19, pregnant women, parents/caretakers, former foster children, AMP, MOMS, Plan First!, and MICHild are determined using MAGI methodology.

The MAGI rules engine determines eligibility for these categories. There is no asset test for MAGI related groups.

The Health Insurance Marketplace is a new way to find health coverage. The Marketplace is sometimes referred to as the "exchange."

Insurance plans in the Marketplace are offered by private companies, and they cover the same core set of benefits called essential health benefits. No plan can refuse coverage or charge more because of an illness or medical condition. Plans cannot charge women more than men. Open enrollment in the Marketplace begins October 1, 2013. Coverage may begin as soon as January 1, 2014.

The federal streamlined application is a single point of entry to purchase private insurance through the Health Insurance Marketplace and assess eligibility for assistance including

Medicaid, MIChild, and the Advanced Payment of Tax Credits (APTC) or Cost Sharing Reduction (CSR).

The Centers for Medicare and Medicaid (CMS) has created the application which is available electronically as well as in paper form. Individuals may apply online using this application at HealthCare.gov

The DCH-1426, Application for Health Coverage & Help Paying Costs, is the State of Michigan (SOM) version of the federal application.

Revising BAM and BEM will be an ongoing process as more information becomes available. Details regarding business process changes are being formulated and more information will be forthcoming.

### **BAM 105**

#### **Rights and Responsibilities**

Information regarding the new DCH-1426, Application for Health Coverage & Help Paying Costs, was added. Corrected a DHS address and process for complaints.

*Reason:* DHS central office request. The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BAM 110**

#### **Application Filing and Registration**

Information regarding the new DCH-1426, Application for Health Coverage & Help Paying Costs, was added.

The DCH-0373 and the MSA-1582 are obsolete and no longer acceptable applications for Medicaid.

The 1171, Assistance Application, is no longer used to apply or renew Medicaid categories.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

**BAM 115****Application Processing**

Removed references to DCH-0373, MIChild-Healthy Kids application. Added DCH-1426, Application for Health Coverage & Help Paying Costs.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152). The DCH-0373 has been obsolete.

**BAM 115****Eligibility Decisions****FAP Only**

An interview is required before denying assistance even if it is clear from the application or other sources that the group is ineligible. For non-expedited FAP, the interview must be scheduled **to occur** by the 20th day to allow the client at least 10 days to provide verifications by the 30th day. Do not deny the application if the client has not participated in the initial interview until after the 30th day after the application date even if he/she has returned all verifications.

*Reason:* Policy clarification.

**Signature Requirements****RCA Only**

A DHS-1173 is now required to be signed for all adult members in the home for MI Bridges applications.

*Reason:* Policy clarification.

**BAM 120****DCH/DHS Coordination**

Obsolete information regarding referrals between MIChild and Healthy Kids has been removed. References to the Healthy Kids/Plan First central unit have been removed.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BAM 130**

#### **Verification and Collateral Contacts**

Removed references to TMA-Plus.

*Reason:* The program ended December 31, 2013.

### **BAM 402**

#### **MA/ AMP Benefits**

Updated Healthy Kids Dental counties. Removed obsolete copayment information. Updated Eligibility Verification System (EVS) information.

*Reason:* More counties are enrolled in the Healthy Kids Dental program. Information for local office staff.

### **BEM 105**

#### **Medicaid Overview**

References to FIP-related MA have been deleted. MAGI-related information has been added.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 110**

#### **Low-Income Family MA (LIF)**

References to FIP-related MA have been deleted. MAGI-related information has been added. A specified relative is now referred to by the federal term; core relative.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 111**

#### **Transitional MA (TMA)**

References to FIP-related MA have been deleted. MAGI-related information has been added.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 113**

#### **Special N/ Support**

References to FIP-related Medicaid and countable child support income were removed.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

*Old Policy:* Child support was budgetable income.

### **BEM 118**

#### **Foster Care Transition Medicaid**

Individuals may remain eligible until they reach age 26.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

*Old Policy:* Individuals were eligible until age 21.

### **BEM 124**

#### **Plan First! Family Planning Program**

References to the MSA-1582, Plan First! Family Planning Program application has been removed. Information regarding the Plan First! central unit have been removed.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

*Old Policy:* Plan First! was only processed at the central unit.

### **BEM 125, 129, 131**

### **Healthy Kids for Pregnant Women, Healthy Kids, and Other Healthy Kids.**

These items have been deleted.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

*Reason:*

### **BEM 211**

#### **MA Group Composition**

References to FIP-related MA have been deleted. Household composition information for MAGI-related groups is available in the MAGI-related policy.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

*Old Policy:* Group composition followed fiscal group policy.

### **BEM 220**

#### **Residence**

An individual is considered a resident of Michigan if they are residing in Michigan and indicate they intend to remain in the state.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 240**

#### **Age**

Age related Medicaid categories were updated to reflect Affordable Care Act changes.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 500**

### **Income Overview**

Information regarding Modified Adjusted Gross Income (MAGI) methodology was added.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 530**

#### **MA Income Budgeting**

References to Healthy Kids and TMA- Plus have been removed.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 531**

This item has been deleted. Income policy is included in the MAGI-related policy.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 536**

#### **Determining Budgetable Income**

References to Healthy Kids have been removed.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

### **BEM 647**

#### **Transitional MA Plus (TMA-Plus)**

The item has been deleted as this program ended effective December 31, 2013.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

**BEM 655****MIChild**

This item has been moved to MAGI policy.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152). MAGI policy contained in one location.

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**EFFECTIVE**

January 1, 2014.

**Subject(s)**

1. Electronic Benefits Transfer Issuance System.
2. Interpretation.
3. S-Corporation and Limited Liability Company (LLC) Budgeting.
4. Keepseagle settlement.
5. Agriculture/related.
6. Case actions.
7. Agriculture/Related and lump sum definitions.
8. Refugee/Alien status.
9. MA Deemed income and deduction--SSI-related children.
10. MA Deemed income and deduction--SSI-related Adults.
11. Opening TSSI.
12. Child Support

**1) Electronic  
Benefits Transfer  
Issuance System****BAM 401-E****Family Independence Program (FIP) State Disability  
Assistance (SDA) and Food Assistance Program (FAP)**

Cards may be issued by the local office upon receipt of an email from the Eligibility/Family Independence Specialist (ES/FIS). The ES/FIS must list the head of household's name and recipient identification number and indicate in the email that an over-the-counter card is to be issued. The local accounting office must run a case summary and print a copy of the results. Valid photo identification must be presented by the cardholder to receive the card.

*Reason:* Policy clarification.

**2) Interpretation****BAM 105****All Programs**

Specialist's responsibilities in circumstances where persons have Limited English Proficiency (LEP) to ensure such persons have an equal opportunity to participate in or benefit from Department of Human Services programs and services have been updated.

*Reason:* Policy clarification.

*Communication Plan:* Office of Workforce Development and Training.

**3) S Corporation  
(S-CORP) and  
Limited Liability  
Company (LLC)  
Income**

**BEM 500, 501, 503**

**FIP, Refugee Cash Assistance Program (RCA), SDA, Child  
Development and Care (CDC), FAP**

Salaries dispersed through an S-CORP or LLC are considered earned income to the client, even if the client is the owner.

**MA**

Income received through an S-CORP or LLC is considered unearned income to the client.

*Reason:* Food and Nutrition Service clarification.

*Communication Plan:* Office of Workforce Development and Training.

**4) Keepseagle  
Settlement**

**BEM 500**

**Cash, Child Development and Care (CDC), Low Income Family  
MA (LIF), Group 2 Under 21 (G2U), Group 2 Caretaker (G2C),  
Adult Medical Program (AMP), and FAP**

The 2010 Keepseagle settlement awards payments to Native American farmers and ranchers who were discriminated against when applying for loans through the USDA farm loan program from 1981-1999. Claims were submitted through two different tracks:

- Track A payments are issued as a lump sum.
- Track B payments are reimbursements and excluded.

*Reason:* Keepseagle v Vilsack Class Action Settlement Payments.

*Communication Plan:* Office of Workforce Development and Training.

5)  
**Agriculture/Related**

**BEM 610**

**MA and FAP**

A comprehensive definition of agriculture/related employment is entered. The revision will assist when determining if someone is working in an agriculture/related employment.

*Reason:* Align policy with the newest definition and assist with consistency with making the determination.

*Communication Plan:* Office of Workforce Development and Training.

6) **Shortening a 24  
Month FAP Benefit  
Period**

**BAM 220**

**FAP**

Updated the form number from DHS-2063A to DHS-2063B, Food Assistance Benefits Redetermination Filing Record.

*Reason:* Correction.

7)  
**Agriculture/Related  
and Lump Sum**

**Bridges Policy Glossary**

Comprehensive definition of agriculture/related employment is revised.

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Keepseagle Track A payment is added as an example of a lump sum.

*Reason:* Updated terminology based on policy revisions.

*Communication Plan:* Office of Workforce Development and Training.

## 8) Refugee/Alien Status

### BEM 225

#### All Programs

Clarifications added for certain alien status verifications, specifically those related to refugees.

*Reason:* Policy clarification

*Communication Plan:* Office of Workforce Development and Training.

## 9) MA Deemed Income and Deduction--SSI-Related Children

### BEM 540

#### MA Only

SSI-related 2014 COLA updates are incorporated in item.

*Reason:* Yearly COLA increase.

*Communication Plan:* Office of Workforce Development and Training.

## 10) MA Deemed Income and Deduction--SSI-Related Children

### BEM 541

#### MA Only

SSI-related 2014 COLA updates are incorporated in item.

*Reason:* Yearly COLA increase.

*Communication Plan:* Office of Workforce Development and Training.

## **11) Opening TSSI**

### **BEM 150**

#### **MA Only**

The email address to ensure transfer of TSSI to SSI is now corrected.

*Reason:* Correction.

*Communication Plan:* Office of Workforce Development and Training.

## **12) Child Support**

### **BEM 255**

#### **FIP, CDC Income Eligible, MA and FAP**

Changed from reference from Child Link to trios and Absent Parent/Child Link logical unit of work to Absent Parent Logical Unit of Work for consistency.

*Reason:* Policy clarification.

*Communication Plan:* Office of Workforce Development and Training.

**EFFECTIVE**

February 1, 2014.

**Subject(s)**

Divestment.

**DIVESTMENT**

**Bridges Eligibility Manual (BEM) 212, 400, 406, 550, 554**

**Food Assistance Program (FAP)**

Clients must not knowingly transfer assets in the three month period prior to the application date or any time there after in order to to qualify/remain qualified for FAP. Clients who transfer assets for one of the above reasons will be disqualified from FAP for up to one year.

*Reason:* Compliance with the Federal regulations.

Communication Plan: Office of Workforce Training and Development.

**EFFECTIVE**

February 1, 2014.

**Subject(s)**

Employment and/or Self-Sufficiency Related Activities for Refugee Cash Assistance (RCA).

**BEM 230C**

**RCA**

Employment and/or Self-Sufficiency Related activities specific to RCA have been added to BEM 230C, instead of referencing BEM 230A.

*Reason:* Policy clarification.

**EFFECTIVE**

February 1, 2014.

**Subject(s)**

**CORRECTION  
EFFECTIVE**

January 1, 2014.

**BEM 220**

**Residence**

An individual is considered a resident of Michigan if they are residing in Michigan and indicate they intend to remain in the state.

*Reason:* The Patient Protection and Affordable Care Act (Publication L. 111-148) and the Health Care and Education Reconciliation Act (Publication L. 111-152).

**Note:** Changes made to BEM 220 were inadvertently left out of the January publication announced with the BPB 2014-002 policy bulletin. The correct policy is attached to this item.

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**EFFECTIVE**

March 1, 2014.

**Subject(s)**

1. Hearings.
2. Application Processing.

**1) HEARINGS****BAM 600****All Programs**

During much of 2013, the department conducted a hearings pilot project in Genesee County. As a result of this pilot, it was determined that a meaningful prehearing conference is a crucial component of the administrative hearing process, both for the client/applicant and DHS. Revisions to this policy therefore place a greater emphasis on the requirement to conduct such conferences on a State-wide basis. Changes to the policy include, but are not limited to:

- Effectively requiring a meaningful prehearing conference in all cases.
- Extending the front-end SOP from 15 to 21 days.
- Permitting DHS to dispose of requests for hearing by obtaining an in-person withdrawal at the time of the meaningful prehearing conference.
- Requiring DHS supervisory/management and partner participation at the meaningful prehearing conference.
- Requiring local offices to select a facilitator to present the Department's case at hearing.

**Attorney General Representation**

A DHS-1216AP, Request for Attorney General Representation, must be completed as soon as the department is aware that a client will be represented by an attorney, but no later than two weeks prior to the scheduled hearing.

### Hearing Facilitators

Each local office is required to select a hearings facilitator and a backup facilitator to present the Department's case at administrative hearings.

Facilitators will be the local office expert on administrative hearings. A facilitator will have knowledge of the hearings process and will attempt to ensure consistent presentation of the Department's case.

*Reason: To resolve hearing requests at the lowest possible level.*

*Communication Plan:* Webinar from the Office of Workforce Development and Training.

## 2) APPLICATION PROCESSING

### BAM 115

#### FAP ONLY

#### Interviews

An interview is required before denying assistance even if it is clear from the application or other sources that the group is ineligible. Do **not** deny the application if the client has not participated in a scheduled initial interview until the 30th day after the application date **even** if he/she has returned all verifications.

*Reason:* Policy clarification.

#### Eligibility Decisions-Denials

The last sentence under FAP Only should read - Do not deny the application if the client has not participated in the initial interview until the 30th day after the application date even if he/she has returned all verifications.

*Reason:* Correction.

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**EFFECTIVE**

April 1, 2014.

**Subject(s)**

1. Disaster assistance.
2. Adult Medical Program (AMP).
3. Verifications and collateral contact.
4. Rights and responsibilities.
5. Income from self-employment.
6. Medicaid.
7. Michigan Combined Application Project (MiCAP)

**1) Disaster Assistance****BEM 800, Disaster Food Assistance Program (DFAP)**

The DFAP maximum allotment and monthly income limits are updated effective November 1, 2013.

*Reason:* The maximum allotment and monthly income limits were updated by the Food and Nutrition Service.

**2) Adult Medical Program****BEM 640, Adult Medical Program**

BEM 640, Adult Medical Program (AMP) has been deleted as the program beneficiaries have been converted to the Healthy Michigan Plan. AMP no longer exists.

References to the Adult Medical Program (AMP) were removed from the following items:

- BEM 214, SDA/AMP Group Composition.
- BEM 265, Institutional Status.
- BEM 270, Pursuit of Benefits.
- BEM 616, SDA/AMP Special Living Arrangements.

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### 3) Verification and Collateral Contacts

#### BAM 130

#### All Types of Assistance (TOA)

##### Obtaining Verifications

- When verification is scanned or copied and the information is legible, place a copy in the case file.
- If the verification is totally or partially illegible, place a copy in the case file.
- If partially legible, document the case with the actual verification received such as a lease, paystubs. Include additional details such as it was reviewed, if it appears to be authentic and any visible information such as the date of entry in the U.S., shelter expense.

Never place original documents such as a lease, pay stubs, birth certificates in the case file.

*Reason:* Policy clarification.

*Communication Plan:* Weekly Staff News.

### 4) Rights and Responsibilities

#### BAM 105

#### FAP Only

General complaints are documented using the Food Assistance Complaint Tracking Database. The database is **not** used for discrimination complaints. If a client files a discrimination complaint, the specialist is required to address this by following **Discrimination Complaints** in BAM 105.

Examples for when it is appropriate to input general complaints include, but are not limited to:

- Overdue Food Assistance Program (FAP) applications.
- General FAP complaints.

- Allegations of inappropriate or rude behavior of the DHS staff.
- Client complaints of FAP closure due to incomplete or untimely recertifications.
- Allegations the specialist is unresponsive or not acting in a timely manner.

**Note:** Local offices must continually update any complaints and provide detail regarding their efforts at resolution within the database. When new complaints or information regarding prior complaints is received, local offices must make every effort to update the information within 48 hours.

*Reason:* Change in reporting method.

*Communication Plan:* FOA Memo 2013-40.

## 5) Income from Self-Employment

### BEM 502

#### Cash, Medicaid and FAP

When the third source - DHS-431, Self-Employment Statement, without receipts is used, a Front End Eligibility (FEE) referral is required. Do not open the case until the FEE investigation is completed.

**Note:** If the total countable self-employment income, (total proceeds minus actual expenses or standard deduction) is \$200 or less a month, a FEE referral is **not** required.

**Exception:** Expedited FAP cases must be opened within the expedited standard of promptness regardless if the FEE investigation is complete.

*Reason:* Request from the Office of Inspector General (OIG).

*Communication Plan:* Weekly Staff News.

## 6) Medicaid

### BEM 158, Disabled Adult Child (DAC)

Only the amount of RSDI that is attributable to the DAC determination is excluded.

**BEM 165, Medicare Savings Program**

Several changes have been made to the language which include:

- A person who qualifies for both MSP and MA does not have to take the MA in order to have the MSP (QMB/SLMB/ALMB) coverage.
- A person who is eligible for both MSP and MA should have their MSP reviewed for continuing eligibility when the MA closes.
- There is no separate application for MSP.
- When a Medicaid beneficiary enters the waiver or nursing home the ALMB must be closed.

**BEM 265, Institutional Status**

MA eligibility no longer ends when a person enters a state psychiatric hospital.

**BEM 164, 402 BAM 120, 810 Miscellaneous corrections**

Spelling and address corrections.

**7) MiCAP****BEM 618****FAP**

If a client's monthly total shelter expenses, (shelter and heat and utility expenses) are below \$1,000, the Food Assistance Program (FAP) benefit is reduced from \$175 per month to \$171. If the total shelter expenses are equal to or exceed \$1000, the FAP benefit is reduced from \$189 per month to \$185.

*Reason:* Food and Nutrition Services reduced the MiCAP benefits due to Annual Cost-of-Living Adjustment.

**EFFECTIVE**

April 1, 2014.

**Subject(s)**

- 1) Family Independence Program (FIP)/Extended Family Independence Program (EFIP) need reasons.
- 2) Family Preservation and High School Completion.
- 3) Child Care Referrals.
- 4) Training requirement for unlicensed child care providers.
- 5) Provider disqualifications.
- 6) Client disqualifications.
- 7) Meal time for students.

**1) FIP/EFIP NEED REASONS**

BEM 703

The only valid need reason for a FIP applicant is one-stop service center/Michigan Works! Association or DHS-approved activity. Once eligibility has been determined and the FIP case is opened, the specialist should verify what the actual need reason is and update Bridges to reflect the appropriate need reason.

**2) FAMILY PRESERVATION AND HIGH SCHOOL COMPLETION**

Minor changes were made to these need reasons.

*Reason:* Clarification.

*Communication:* Office of Workforce Development and Training.

**3)CHILD CARE  
REFERRALS**

The Web address for Great Start Connect is changed to [www.greatstartconnect.org](http://www.greatstartconnect.org).

**4) TRAINING  
REQUIREMENT FOR  
UNLICENSED  
PROVIDERS**

BEM 706

Unlicensed providers must complete the Great Start to Quality Orientation training prior to being eligible to receive department payment.

*Reason:* Adding requirement to this policy item.

Communication: None.

**5) PROVIDER  
DISQUALIFICATIONS**

BEM 707

Providers will not receive a notice of rule violation if it has been determined he/she has committed an intentional program violation.

*Reason:* Program integrity.

Communication: None.

**6) CLIENT  
DISQUALIFICATIONS**

BEM 708

Recipients of Child Development and Care are required to comply with program rules as outlined in the program's Administrative Rule, R400.5020 in the Michigan Administrative Code. Recipients found

to be in violation of the rule may serve a disqualification period of six months, twelve months or a lifetime.

*Reason:* Compliance with Administrative Rules.

Communication: Office of Workforce Development and Training.

## **7) MEAL TIME FOR STUDENTS**

BEM 710

Allowable meal time for students has been added to this manual item.

*Reason:* Clarification.

Communication: Office of Workforce Development and Training.

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**EFFECTIVE**

May 1 2014.

**Subject(s)****BEM 554, FAP Allowable Expenses and Expense Budgeting****Applications**

When processing applications, redeterminations, or when a change is reported clients are not automatically allowed the h/u standard. Process these using the policy as written in the MANDATORY HEAT AND UTILITY STANDARD section.

**Delayed Implementation of Changes Due to Agricultural Act of 2014 (End of the Dollar LIHEAP Program)**

For all FAP groups that received the h/u standard on or before February 7, 2014, the h/u standard will remain in place for a period of five months after the month of their first redetermination or first reported case change occurring on or after May 1, 2014. In order to continue receiving the h/u standard beyond the expiration of the five month period, the FAP group must meet the requirements of the MANDATORY HEAT AND UTILITY STANDARD section.

Example: Sally's FAP group received the h/u standard on or before February 7, 2014. Her case either has its first redetermination or first reported case change after May 1, 2014 in the month of May, with the benefit period beginning in June. The delayed implementation change requires her benefit issuance amount starting in November to include only the utilities for which she is responsible to pay. Therefore, from June through October, she will continue to automatically receive the h/u standard. However, if she does not verify any responsibility for utilities, then starting with her November FAP issuance her budget will no longer contain any heat or utility expenses.

**DEPARTMENT  
POLICY**

This item applies only to Food Assistance Program (FAP).

Bridges uses certain expenses to determine net income for FAP eligibility and benefit levels.

- For groups with no senior/disabled/disabled veteran (SDV) member, Bridges uses the following:
  - Dependent care expense.
  - Excess shelter up to the maximum in Reference Tables Manual (RFT) 255.
  - Court ordered child support and arrearages paid to non-household members.
- For groups with one or more SDV member, Bridges uses the following; see Bridges Eligibility Manual (BEM) 550:
  - Dependent care expense.
  - Excess shelter.
  - Court ordered child support and arrearages paid to non-household members.
  - Medical expenses for the SDV member(s) that exceed \$35.

Complete either a manually-calculated or Bridges budget to document expenses every time an expense change is reported.

## ALLOWABLE EXPENSES

An expense is allowed if all of the following:

- The service is provided by someone outside of the FAP group.
- Someone in the FAP group has the responsibility to pay for the service in money.
- Verification is provided, if required.

### Responsibility to Pay

Responsibility to pay means that the expense is in the name of a person in the FAP group.

***Exception:*** If the expense is in someone else's name, allow the expense if the FAP group claims the expense and the service address on the bill is where they live.

Do not allow any expense if the entire expense is directly paid by an agency or someone outside of the group.

An expense that is fully reimbursed is not allowed; see BEM 500, Reimbursements.

If an expense is partially reimbursed or paid by an agency or someone outside of the FAP group, allow only the amount that the group is responsible to pay, unless specific policy directs otherwise.

**Example:** HUD pays \$150 toward a FAP group's \$325 rental expense. Allow only the \$175 (\$325 rent - \$150 HUD pays = \$175) that the group is expected to pay.

### ***Shared Expenses***

Allow only the FAP group's portion of child support, medical or dependent care expenses if another person outside of the FAP group is jointly responsible. If the FAP group's share can be identified, allow that portion. Otherwise, the expense is evenly prorated among the groups responsible for it and the FAP group's prorated share is allowed.

**Note:** Shelter, the heat and utility standard and the individual utility standards are never prorated, even if the expense is shared. Refer to the following sections found in this item:

- Shelter expenses.
- Mandatory heat and utility standard.
- Mandatory individual standards.

### ***Member Removal***

The expenses of a FAP member who is no longer living with the group are removed when the member removal is processed.

## **Verification**

DHS must verify the responsibility to pay and the amount of certain expenses; see the individual expense policy for verification requirements. Document verification used in the case record.

Do not budget expenses that require verification until the verification is provided. Determine eligibility and the benefit level without an expense requiring verification if it cannot be verified.

**Note:** Do not include a medical expense that might be covered by a reimbursement if the amount of the reimbursement cannot be verified.

Treat subsequently provided verification from an eligible FAP group as a change. A supplement for lost benefits is issued only if the expense could not be verified within 30 days of the application and the local office was at fault.

## BUDGETING EXPENSES

### Budget Month

Expenses are used from the same calendar month as the month for which benefits are being determined.

**Example:** June expenses are used to determine June's benefits.

Expenses remain unchanged until the FAP group reports a change; see Bridges Administrative Manual (BAM) 220, Change Processing.

### Determining the Monthly Amount

Bridges converts all expenses (except one-time-only expenses the group does not wish to average) to a nonfluctuating monthly amount.

The same conversion method is used to determine countable available income in BEM 505. Bridges will convert a(n):

- Weekly expense, multiply the average weekly expense by 4.3.
- Twice a month expense, multiply the average weekly expense by 2.
- Every other week expense, multiply the average expense by 2.15.
- Yearly expense, average the bill over 12 months beginning with the first billing of the year.
- Quarterly expense, average the bill over three months.
- Expense billed less often than monthly. Bridges will average the one-time-only expense over the balance of the benefit

period or over the period of time the client has the responsibility to pay. The expense is allowed beginning with the first benefit month the change can affect.

**Example:** Groups that have 24-month benefit periods must be given options for one-time-only medical expenses; see Medical Expenses in this item.

### ***Home Equity Loan Expense***

To determine the countable monthly expenses for a home equity loan, use either:

- The entire amount (principal and interest) for a fixed, non-fluctuating home equity loan.
- The average of two or more recent month's payments (principal and interest) for a variable home equity loan payment, unless the FAP group states the payment amount is different for the benefit month being determined.

Document in the case record or in Bridges what months were used and why they were representative.

### ***Non-Converted Expenses***

Expenses that will not continue beyond the month following the benefit month being processed are not converted.

Budget non-converted expenses for the month they are billed or otherwise become due, regardless of when the FAP group intends to pay the expense.

Non-converted expenses are budgeted for one benefit month only.

### **Expenses for Disqualified or Ineligible Persons**

The treatment of expenses paid by or billed to ineligible or disqualified persons differs depending on the reason the person is not in the group.

Determine the appropriate month's expenses for a disqualified or ineligible person as if he were a member of the FAP group.

***Student Status***

Expenses for which the ineligible student is responsible are not budgeted.

***Employment Related Activities, IPV, Trafficking, Parole or Probation, Fugitive Felons or Divestment***

Budget total expenses, including medical expenses of a senior, disabled, disabled veteran (SDV) disqualified person. Allow unlimited excess shelter even if the only SDV member is the disqualified person.

***Social Security Enumeration, Citizenship/Alien Status, Child Support Non-Cooperation or Time Limited***

Shelter expenses, the mandatory heat and utility standard, mandatory individual standards and actual utility expenses are never prorated. However, only a prorated portion for dependent care expenses and child support expenses is allowed.

To determine the prorated amount to allow:

1. Divide the expense evenly by the number of group members, including the disqualified person(s) living with the FAP group.
2. Multiply the result by the number of eligible group members.

**Example:** One person in the group is disqualified with a child support expense of \$200.00 per month. The total group size is 4. Bridges divides \$200.00 by 4 which equals \$50.00. It then multiplies \$50.00 by 3 eligible group members which equals \$150.00 and allows a child support expense of \$150.00.

Bridges does not allow:

- Medical expenses for SDV disqualified persons.
- Unlimited excess shelter if the only SDV member is disqualified.

**CHILD SUPPORT EXPENSES**

The following child support expenses are allowed:

- The amount of court-ordered child support and arrearages paid by the household members to non-household members in the benefit month.

- Court-ordered third party payments (landlord or utility company) on behalf of a non-household member.
- Legally obligated child support paid to an individual or agency outside the household, for a child who is now a household member, provided the payments are not returned to the household.

Do not allow more than the legal obligation if the client is up-to-date on their child support payments. However, if they are behind and making arrearage payments, allow the total amount paid even if it exceeds the court-ordered amount. Current and arrearage child support expenses must be paid to be allowed.

## Verification

Verify child support expenses and arrearages paid to non-household members at application, redetermination and when a change is reported. All of the following must be verified:

1. The household's legal obligation to pay.
2. The monthly amount of the obligation for current child support.
3. The amount of child support the household actually pays.

Current payments must be entered separately from arrearage payments on Bridges. A separate arrearage order is not needed to allow arrearage payments. If DHS verifies child support payments are court ordered, the original court order also serves as verification of the arrearage.

## Verification Sources

Acceptable verification sources include, but are not limited to:

- For the household's legal obligation to pay and current obligation amount:
  - Court or administrative order.
  - Legally enforceable separation agreement.
- For the household's actual child support and arrearages paid:
  - Wage withholding statements.
  - Verification of withholding from unemployment compensation or other unearned income.

- Statements from the custodial parent regarding direct payments.
- Statements from the custodial parent regarding third party payments the noncustodial parent pays or expects to pay on behalf of the custodial parent.
- Data obtained from the state's Child Support Enforcement System (MICSES).

**Note:** Documents that are accepted as verification of the household's legal obligation to pay child support and arrearages are not acceptable as verification of the household's actual monthly payment.

## DEPENDENT CARE EXPENSES

Allow an unreimbursed dependent care expense for a child or an incapacitated adult who is a member of the FAP group, when such care is necessary to enable a member of the FAP group to work. This is the amount the FAP group actually pays out-of-pocket. The expense does not have to be paid to be allowed. Allow only the amount the provider expects the client to pay out-of-pocket. Work includes seeking, accepting or continuing employment; or training or education preparatory to employment.

Case Management Tip: Be especially careful in following the above dependent care expense budgeting policy if the client's dependent care is reimbursed by the Child Development and Care program (CDC) or another agency or person.

### Verification

Verify dependent care expenses at application, reported change and redetermination.

### Verification Sources

Acceptable verification sources include, but are not limited to, bills or written statement or collateral contact with the provider.

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**MEDICAL  
EXPENSES****Application and  
Redetermination**

Consider only the medical expenses of SDV persons in the eligible group or SDV persons disqualified for certain reasons; see Expenses for Disqualified or Ineligible Persons in this item. Estimate an SDV person's medical expenses for the benefit period. Base the estimate on all of the following:

- Verified allowable medical expenses.
- Available information about the SDV member's medical condition and health insurance.
- Changes that can reasonably be anticipated to occur during the benefit period.

***During the Benefit Period***

A FAP group is not required to, but may voluntarily report changes during the benefit period. Process changes during the benefit period only if they are one of the following:

- Voluntarily reported and verified during the benefit period such as expenses reported and verified for MA deductible.
- Reported by another source and there is sufficient information and verification to determine the allowable amount without contacting the FAP group.

***One-Time-Only Expenses***

Groups that do not have a 24-month benefit period may choose to budget a one-time-only medical expense for one month or average it over the balance of the benefit period. Bridges will allow the expense in the first benefit month the change can affect.

***Exception:*** Groups that have 24-month benefit periods must be given the following options for one-time-only medical expenses billed or due within the first 12 months of the benefit period:

3. Budget it for one month.

4. Average it over the remainder of the first 12 months of the benefit period.
5. Average it over the remainder of the 24-month benefit period.

**Example:** Sally has a \$1,200 emergency room bill in 11/08. It is not covered by Medicaid or any medical insurance and she received the first bill for this service in 1/09. Her FAP benefit period is 10/1/08 through 9/30/10. She can elect to use:

- The entire \$1,200 deduction to affect 2/09 benefits. This would probably increase her FAP to the maximum amount for that one month.
- \$150 per month (\$1,200 bill divided by 8 months remaining in the first 12 months of her benefit period) to affect 2/09 through 9/09. This would probably increase her FAP benefits by \$50 per month for eight months.
- \$60 per month (\$1,200 bill divided by 20 months remaining in the benefit period) to affect 2/09 through 9/10. This would probably increase her FAP benefits by \$20 for 20 months. (If she were within \$20 of the maximum, this option would benefit her the most.)

### Allowable Medical Expenses

Allowable medical expenses are limited to the following:

- Medical and dental care including psychotherapy and rehabilitation services provided by a licensed practitioner authorized by State law or other qualified health professional.
- Hospitalization or nursing care. Include these expenses for a person who was a group member immediately prior to entering a hospital or nursing home.
- Prescription drugs and the postage for mail-ordered prescriptions.
- Costs of medical supplies, sickroom equipment (including rental) or other prescribed medical equipment (excluding the cost for special diets).
- Over-the-counter medication (including insulin) and other health-related supplies (bandages, sterile gauze, incontinence

pads, etc.) when recommended by a licensed health professional.

- Premiums for health and hospitalization policies (excluding the cost of income maintenance type health policies and accident policies, also known as assurances). If the policy covers more than one person, allow a prorated amount for the SDV person(s).
- Medicare premiums.
- Dentures, hearing aids and prosthetics including the cost of securing and maintaining a seeing eye or hearing dog or other assistance animal. (Animal food and veterinary expenses are included.)
- Eyeglasses when prescribed by an ophthalmologist (physician-eye specialist) or optometrist.
- Actual costs of transportation and lodging necessary to secure medical treatment or services. If actual costs cannot be determined for transportation, allow the cents-per-mile amount at the standard mileage rate for a privately owned vehicle in lieu of an available state vehicle. To find the cents-per-mile amount go to the Michigan Department of Management and Budget at [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb), select Services & Facilities from the left navigation menu, then select Travel. On the travel page, choose Travel Rates and High Cost Cities using the rate for the current year.
- The cost of employing an attendant, homemaker, home health aide, housekeeper, home help provider, or child care provider due to age, infirmity or illness. This cost must include an amount equal to the maximum FAP benefits for one person if the FAP group provides the majority of the attendant's meals. If this attendant care cost could qualify as both a medical expense and a dependent care expense, it must be treated as a medical expense.
- A Medicaid deductible is allowed if the following are true.
  - The medical expenses used to meet the Medicaid deductible are allowable FAP expenses.
  - The medical expenses are not overdue. See below.

**Note:** Medical marijuana is not an allowable medical expense.

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## Estimating and Determining an Allowable Medical Expense

Estimate an SDV person's medical expenses for the benefit period. The expense does not have to be paid to be allowed. Allow medical expenses when verification of the portion paid, or to be paid by insurance, Medicare, Medicaid, etc. is provided. Allow only the non-reimbursable portion of a medical expense. The medical bill cannot be overdue.

The medical bill is not overdue if one of the following conditions exists:

- Currently incurred (for example, in the same month, ongoing, etc.).
- Currently billed (client is receiving the bill for the first time for a medical expense provided earlier and the bill is not overdue).
- Client made a payment arrangement before the medical bill became overdue.

## VERIFICATION

Verify allowable medical expenses including the amount of reimbursement, at initial application and redetermination. Verify reported changes in the source or amount of medical expenses if the change would result in an increase in benefits.

Do not verify other factors, unless questionable. Other factors include things like the allowability of the service or the eligibility of the person incurring the cost.

## VERIFICATION SOURCES

Acceptable verification sources include, but are not limited to:

- Current bills or written statement from the provider, which show all amounts paid by, or to be paid by, insurance, Medicare or Medicaid.
- Insurance, Medicare or Medicaid statements which show charges incurred and the amount paid, or to be paid, by the insurer.

- DHS-54A, Medical Needs, completed by a licensed health professional.
- SOLQ for Medicare premiums.
- Written statements from licensed health care professionals.
- Collateral contact with the provider. (Most commonly used to determine cost of dog food, over-the-counter medication and health-related supplies, and ongoing medical transportation).

## SHELTER EXPENSES

Allow a shelter expense when the FAP group has a shelter expense or contributes to the shelter expense. Do not prorate the shelter expense even if the expense is shared. Shelter expenses are allowed when billed. The expenses do not have to be paid to be allowed.

Late fees and/or penalties incurred for shelter expenses are not an allowable expense.

**Note:** When a shelter expense is paid in advance, continue to allow the ongoing monthly shelter expense. Example: A client's monthly shelter expense is \$300. They pay \$900 to the landlord to cover the months of April-June. Continue to allow the monthly shelter obligation of \$300 in the FAP budgets for April-June.

## Housing Expenses

Housing expenses include rent, mortgage, a second mortgage, home equity loan, required condo or maintenance fees, lot rental or other payments including interest leading to ownership of the shelter occupied by the FAP group.

The expense must be a continuing one. Payments that exceed the normal monthly obligation are not deductible as a shelter expense unless the payment is necessary to prevent eviction or foreclosure, and it has not been allowed in a previous FAP budget. Additional expenses for optional charges, such as carports, pets, etc. are not allowed.

**Note:** Some finance companies or banks may combine billings for allowable shelter expenses with other loans. Be careful to only allow the portion that is an allowable shelter expense. Home equity

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loans are allowable, see Determining the Monthly Amount, Home Equity Loan Expense in this item.

### ***Temporary Housing***

If FIP or SDA shelter vendor payments are made on behalf of a FAP group residing in temporary housing per BEM 500, Government Aid section, subtract the vendor payment from the total shelter amount to determine the allowable shelter expense.

### ***Rental Income Situations***

Do not deduct the cost of doing business from the shelter expense of a FAP group with rental income.

## **Property Taxes, Assessments and Insurance**

Property taxes, state and local assessments and insurance on the structure are allowable expenses. Do not allow insurance costs for the contents of the structure, for example, furniture, clothing and personal belongings.

Deduct the entire insurance charge for structure and contents when the amount for the structure cannot be determined separately.

Renter's insurance is not allowed.

## **Home Repair Expenses**

Allow charges for repair of a home which was substantially damaged or destroyed due to a natural disaster such as fire or flood.

**Note:** Do not allow any portion of an expense that has been or will be reimbursed by any source.

## **Verification**

Verify shelter expenses at application and when a change is reported. If the client fails to verify a reported change in shelter, remove the old expense until the new expense is verified.

Verify the expense and the amount for housing expenses, property taxes, assessments, insurance and home repairs.

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## Verification Sources

Acceptable verification sources include, but are not limited to:

- Mortgage, rental or condo maintenance fees contracts or a statement from the landlord, bank or mortgage company.
- Copy of tax, insurance, assessment bills or a collateral contact with the appropriate government or insurance office.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address if verifying shelter, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification form. A copy of this form will be sent to the FAP group and a task and reminder sent to the specialist when a change of address is done in Bridges. The due date will be on the form. The specialist must monitor for return of the form and take appropriate action if it is or is not returned.
- Current lease.

## MANDATORY HEAT AND UTILITY STANDARD

The heat/utility (h/u) standard covers all heat and utility costs including cooling, except actual utility expenses, for example, installation fees etc.; see Actual Utilities in this item. Do not prorate the h/u standard even if the heating/cooling expense is shared.

FAP groups that qualify for the h/u standard do not receive any other individual utility standards. Do not require verification of the other utility standards if the household is already eligible for the h/u standard.

**Effective May 1,  
2014**

### Applications

When processing applications, redeterminations, or when a change is reported clients are **not** automatically allowed the h/u standard.

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Process these using the policy as written in the MANDATORY HEAT AND UTILITY STANDARD section.

### **Delayed Implementation of Changes Due to Agricultural Act of 2014 (End of the Dollar LIHEAP Program)**

For all FAP groups that received the h/u standard on or before February 7, 2014, the h/u standard will remain in place for a period of five months after the month of their first redetermination or first reported case change occurring on or after May 1, 2014. In order to continue receiving the h/u standard beyond the expiration of the five month period, the FAP group must meet the requirements of the MANDATORY HEAT AND UTILITY STANDARD section.

Example: Sally's FAP group received the h/u standard on or before February 7, 2014. Her case either has its first redetermination or first reported case change after May 1, 2014 in the month of May, with the benefit period beginning in June. The delayed implementation change requires her benefit issuance amount starting in November to include only the utilities for which she is responsible to pay. Therefore, from June through October, she will continue to automatically receive the h/u standard. However, if she does not verify any responsibility for utilities, then starting with her November FAP issuance her budget will no longer contain any heat or utility expenses.

### **Heating Separate from Housing Costs**

A FAP group which has a heating expense or contributes to the heating expense separate from rent, mortgage or condominium/maintenance payments must use the h/u standard.

#### ***Heat Verification***

Verify heating separate from housing costs at application, redetermination, or when a change is reported.

#### ***Heat Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for heating/cooling expenses.

- Collateral contact with the landlord or the heating/cooling provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification.
- Current lease.

### **Cooling Separate from Housing Costs**

FAP groups who pay for cooling (including room air conditioners) are eligible for the h/u standard if they verify they have the responsibility to pay for non-heat electric.

#### ***Verification***

Verify non-heat electric at application, redetermination, or when a change is reported.

#### ***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for electric expenses.
- Collateral contact with the electric provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification.
- Current lease.

**Heat Included in Rent or Fees**

FAP groups whose heat is included in their rent or fees are not eligible for the h/u standard, unless either of the following apply:

- They are billed for excess heat payments from their landlord.
- They report that they received, applied for or will be applying for a home heating credit (HHC) in the current fiscal year (October through September) for their current address.

**Verification**

Verify the excess heat expense at application, redetermination, or when a change is reported. . Accept client's statement regarding home heating credit receipt or future application.

**Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the landlord for excess heat expenses.
- Collateral contact with the landlord.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

**Electricity Included in Rent or Fees**

FAP groups whose electricity is included in their rent or fees are not eligible for the h/u standard unless their landlord bills them separately for cooling.

**Verification**

Verify separate cooling charge at application, redetermination, or when a change is reported.

**Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the landlord for separate cooling expense.
- Collateral contact with the landlord.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### **Shared Meters or Expenses**

If the FAP group has any responsibility for the heating/cooling expense, use the h/u standard.

#### ***Verification***

Verify the heating/cooling expense at application, redetermination, or when a change is reported.

#### ***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the landlord.
- Collateral contact with the landlord.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### **MANDATORY INDIVIDUAL STANDARDS**

FAP groups not eligible for the h/u standard who have other utility expenses or contribute to the cost of other utility expenses are eligible for the individual utility standards. Use the individual standard for each utility the FAP group has responsibility to pay. Do not prorate the utility standard even if the expense is shared.

**Non-Heat Electric Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for non-heat electricity separate from rent/mortgage or condo/maintenance fees, must use the non-heat electric standard. The standard covers only non-heat electric.

**Verification**

Verify non-heat electric expense at application, redetermination, or when a change is reported.

**Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for electric expenses.
- Collateral contact with the electric provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification.
- Current lease.

**Water and/or Sewer Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for water and/or sewer separate from rent/mortgage or condo fees, must use the water and/or sewer standard. The standard covers only water and/or sewer expenses.

**Verification**

Do not verify the water or sewer expense, unless questionable; see BAM 130 regarding verification of questionable data.

**Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for water or sewer expenses.
- Collateral contact with the water or sewer provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### **Telephone Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for a traditional land-line service, cellular phone service including per-minute or per-call service and voice over Internet protocol (VoIP) must use the telephone standard. The standard covers only the telephone expense.

#### ***Verification***

Do not verify the telephone expense, unless questionable; see BAM 130 regarding verification of questionable data.

#### ***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the telephone provider.
- Collateral contact with the telephone provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### **Cooking Fuel Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for cooking fuel separate from rent/mortgage or condo fees, must use the cooking fuel standard. The standard covers only cooking fuel expenses.

**Verification**

Do not verify the cooking fuel expense, unless questionable; see BAM 130 regarding verification of questionable data.

**Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for cooking fuel expenses.
- Collateral contact with the cooking fuel provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

**Trash Removal Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for trash or garbage removal separate from rent/mortgage or condo fees, must use the trash removal standard. The standard covers only trash removal.

**Verification**

Do not verify the trash or garbage removal expense, unless questionable; see BAM 130 regarding verification of questionable data.

**Verification Sources**

If the trash or garbage removal expense is questionable, acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for trash removal.
- Collateral contact with the trash removal provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

## ACTUAL UTILITIES

Actual utility expenses will be used for the following expenses only:

- Utility installation charges (not deposits).
- Water well installation and maintenance.
- Septic installation and maintenance.

**Note:** Do not allow an actual utility expense for reconnection fees after service has been turned off for the same people at the same address.

### **Verification**

Verify the actual expense.

### **Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider.
- Collateral contact with the provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

## SHELTER COSTS FOR UNOCCUPIED HOME

Allow shelter costs for a home temporarily unoccupied by the FAP group due to:

- Employment or training away from home.
- Illness.
- Abandonment caused by a natural disaster or casualty loss.

Include shelter costs for a temporarily unoccupied home, provided all of the following are true:

- The FAP group intends to return to the home.
- The current occupants of the home, if any, are not claiming shelter costs on that home for FAP purposes.

- The home is not being leased or rented to others during the FAP group's absence.

### Allowable Expenses

Allow the following expenses:

- Basic shelter expenses as described above.
- Heat and Utility Standard, or individual utility standards.
- Utility installation fees charged by the utility provider, excluding deposits.
- Well/septic installation and maintenance.

**Exception:** Heat and utility expenses may only be claimed for one home.

### Verification

The FAP group must verify these expenses for a deduction to be allowed. DHS is not required to assist FAP groups in obtaining verification of shelter costs for an unoccupied home in another county or state.

### FAP ALLOWABLE EXPENSES - DESK AID

Ineligible student has expense?	If no, go to the next section. If yes, do not allow the expense.
Disqualified due to: Lack of SSN, alien status. Time limited, child support. Has expense?	If no, go to the next section. If yes, allow full shelter, heat and utility expenses. Prorate other expenses, such as child support and dependent care expenses, between the household members. Allow the prorated portion designated for the eligible group members.
Disqualified due to: IPV. Employment related. Divestment. Has expense?	If no, go to the next section. If yes, allow full expense.
Receives subsidized housing?	If no, go to the next section. If yes, allow only the portion of the rent for which the client is responsible.

Verifications.	Required at application and reported change. Acceptable verifications: DHS-3688. Current lease. Rent receipt. Collateral contact with the landlord. Statement from HUD. These types of verifications must identify the client and the client's address and obligations.
Housing/rent responsibility?	If no, do not allow an expense. Go to the next section. If yes, allow the full expense. Do not allow late fees, penalties or one-time deposits.
Verifications.	Required at application and reported change. Acceptable verifications: DHS-3688. Current lease. Rent receipt Collateral contact with landlord. These types of verifications must identify the client and the client's address and obligations.
Purchasing home or ownership responsibility?	If no, do not allow an expense. Go to the next section. If yes, allow the full expense.  Allow taxes, insurance, required maintenance and condo fees the client is responsible for that are not included in the mortgage payment. Do not allow late fees or penalties.
Verifications.	Required at application and reported change. Acceptable verifications: DHS-3688. Land contract. Tax bills. Insurance bills. Mortgage papers. Assessment bills. Collateral contact. These types of verifications must identify the client and the client's address and obligations.
Effective May 1, 2014 Applications When processing applications, redeterminations, or when a change is reported clients are <b>not</b> automatically allowed the h/u standard. Process these using the policy as written in the MANDATORY HEAT AND UTILITY STANDARD section in	

this item.	
Responsible for heating expenses separate from mortgage/rent/fees?	If no, do not allow the heat and utility (h/u) standard. Go to the next section. If yes, allow the h/u standard, which includes all the individual utility standards.
Heat Verifications.	At application and reported change, enter the appropriate verification source, if available. Enter client statement if you do not have verification. Acceptable verifications: DHS-3688. Current lease. Current bill that identifies the expense. Collateral contact with the landlord or provider.  Verify the heat obligation only if questionable for groups that have verified that they own or are purchasing the home they occupy. If the heating bill is in someone else's name, allow the expense if the client claims the expense and the service address on the bill is where the FAP group lives. The heat obligation must be verified to allow the heat and utility standard, even if the client received, applied or expects to apply for an HHC. 4. The HHC does not need to be verified unless questionable.
Responsible for cooling expenses separate from rent/fees?	If no, do not allow the h/u standard. Go to the next section. If yes, allow the h/u standard, which includes all the individual utility standards if the client varies they have a non-heat electric expense.
Cooling Verifications	Enter the appropriate verification source, if available. Enter <b>client statement</b> if you do not have verification. Acceptable verifications. DHS-3688. Current lease. Current bill that identifies the expense for the FAP group. Collateral contact with the landlord or provider. Note: If the non-heat electric bill is in someone else's name, allow the expense if the client claims the expense and the service address on the bill is where the FAP group lives.
Heat included in rent/fees, but responsible for either: Excess heat costs. Receiving/applying for home heating credit?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the h/u standard. The client will indicate on the DHS-1171, that they received, applied for or will be applying for the home heating credit warrant in the current fiscal year for their current address.

Verifications.	Enter the appropriate verification source, if available. Enter <b>client statement</b> if you do not have verification. Acceptable verifications: Current bills or written statement from the landlord. Collateral contact with the landlord. Cancelled checks, receipts or money order copies, if current. Note: The HHC does not need to be verified unless questionable. <b>Acceptable HHC verifications:</b> Copy of the home heating credit warrant. Copy of the application.
Electricity included in rent/fees, but responsible for: Excess cooling costs.	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the h/u standard.
Verifications.	Enter the appropriate verification source, if available. Enter <b>client statement</b> if you do not have verification. <b>Acceptable verifications:</b> Current bills or written statement from the landlord. Collateral contact with the landlord. Cancelled checks, receipts or money order copies, if current.
Responsible for non-heat electric expenses and not eligible for the h/u standard?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the non-heat electric standard.
Verifications.	Enter the appropriate verification source, if available. Enter client statement if you do not have verification. Acceptable verifications: DHS-3688. Current lease. Current bill that identifies the expense for the FAP group. Collateral contact with the landlord or provider. If the non-heat electric bill is in someone else's name, allow the expense if the client claims the expense, and the services address on the bill is where the FAP group lives.
Responsible for water and/or sewer expenses and not eligible for the h/u standard?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the water and/or sewer standard.
Verifications	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group. Collateral contact with the landlord or provider. If the water and/or sewer bill is in someone else's name, allow the expense if the client claims the expense and the service address on the bill is where the FAP group lives.

Responsible for telephone, monthly cellular phone plans and not eligible for the h/u standard (Y/N)?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the telephone standard.
Verifications.	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group <b>and</b> , must include at least the monthly basic fee. Collateral contact with the provider.
Responsible for cooking fuel expenses and not eligible for the h/u standard?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the cooking fuel standard.
Verifications.	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group. Collateral contact with the provider.
Responsible for trash removal expenses and not eligible for the h/u standard (Y/N)?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the trash removal standard.
Verifications.	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group. Collateral contact with the provider.
Actual utility expenses?	If no, go to the next section. If yes, allow only the following expenses: Utility installation charges ( <b>not deposits</b> ). Water well installation and maintenance. Septic installation and maintenance.
Verifications.	Verify the actual expense. Acceptable verifications include, but are not limited to: Current bills or a written statement from the provider. Collateral contact with the provider. Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense. Do not allow an actual utility expense for reconnection fees after the service has been turned off for the same people at the same address.

**LEGAL BASE**

7 CFR 273.8(h)

7 CFR 273.9(d),.10(d)(6),.11(c),.21

7 CFR 273.9 (c)(10)(11)

42 USC 8621 - 8630

Michigan Low Income Heating Assistance and Shut Off Protection Act, MCL 400.1201 et. Al

Agricultural Act of 2014, Section 4006

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**EFFECTIVE**

May 1, 2014.

**Subject(s)****BAM 700**

Specialists may prevent overissuances by requesting a Front End Eligibility (FEE) investigation.

**BAM 705**

Work First! is no longer designated as a DHS department or division. Clients who report income to Work First!, but fail to report to DHS will now be recouped as a client error rather than an agency error.

Recoupment specialists must forward a notice to the welfare debt unit (WDU) when a hearing was requested after automated recoupment (AR) begins.

An example was added to help determine the overissuance begin date for an agency error.

**BAM 715**

Suspected IPV claims will now be collected as client errors until a determination by OIG is received.

Recoupment specialists must forward a notice to the welfare debt unit (WDU) when a hearing was requested after automated recoupment (AR) begins.

**BAM 720**

State Office of Administrative Hearings and Rules (SOAHR) has been changed to Michigan Administrative Hearing System (MAHS).

The Food Assistance (FAP) legal base 7CFR 272.8 has been changed to 7CFR 273.16

Suspected Intentional Program Violation (IPV) claims will be collected as client errors. When an IPV determination by OIG has been made the remaining balance will be recouped as an IPV.

A history of two or more client errors can now be submitted as a suspected IPV even if under the \$500 OIG referral amount.

**BAM 725**

Specific addresses for programs were added for clients who mail in their payments.

The Attorney General (AG) Initiative was added in which the AG will pursue delinquent claims based on referrals from the welfare debt unit.

Probate claim referral process has changed. The local office now may refer claims for an estate to the welfare debt unit who works with the AG.

The definition and process for delinquency has been added.

Bankruptcy policy was updated to reflect the new procedures.

Interstate claims was updated to reflect FNS regulations regarding IPV disqualifications.

The debt collection hearing reports, also known as the GH-800 reports, has been deleted from policy as CASH and FAP claims can be collected by treasury without a signed repay.

*Reason:* Clarification and process changes to help strengthen the recoupment and collection process.

*Communication Plan:* Recoupment specialists will be provided with direct information and training if necessary.

**EFFECTIVE**

May 1, 2014.

**Subject(s)****BEM 554, FAP Allowable Expenses and Expense Budgeting****Applications**

When processing applications, redeterminations, or when a change is reported clients are not automatically allowed the h/u standard. Process these using the policy as written in the MANDATORY HEAT AND UTILITY STANDARD section.

**Delayed Implementation of Changes Due to Agricultural Act of 2014 (End of the Dollar LIHEAP Program)**

For all FAP groups that received the h/u standard on or before February 7, 2014, the h/u standard will remain in place for a period of five months after the month of their first redetermination or first reported case change occurring on or after May 1, 2014. In order to continue receiving the h/u standard beyond the expiration of the five month period, the FAP group must meet the requirements of the MANDATORY HEAT AND UTILITY STANDARD section.

Example: Sally's FAP group received the h/u standard on or before February 7, 2014. Her case either has its first redetermination or first reported case change after May 1, 2014 in the month of May, with the benefit period beginning in June. The delayed implementation change requires her benefit issuance amount starting in November to include only the utilities for which she is responsible to pay. Therefore, from June through October, she will continue to automatically receive the h/u standard. However, if she does not verify any responsibility for utilities, then starting with her November FAP issuance her budget will no longer contain any heat or utility expenses.

**DEPARTMENT  
POLICY**

This item applies only to Food Assistance Program (FAP).

Bridges uses certain expenses to determine net income for FAP eligibility and benefit levels.

- For groups with no senior/disabled/disabled veteran (SDV) member, Bridges uses the following:
  - Dependent care expense.
  - Excess shelter up to the maximum in Reference Tables Manual (RFT) 255.
  - Court ordered child support and arrearages paid to non-household members.
- For groups with one or more SDV member, Bridges uses the following; see Bridges Eligibility Manual (BEM) 550:
  - Dependent care expense.
  - Excess shelter.
  - Court ordered child support and arrearages paid to non-household members.
  - Medical expenses for the SDV member(s) that exceed \$35.

Complete either a manually-calculated or Bridges budget to document expenses every time an expense change is reported.

## ALLOWABLE EXPENSES

An expense is allowed if all of the following:

- The service is provided by someone outside of the FAP group.
- Someone in the FAP group has the responsibility to pay for the service in money.
- Verification is provided, if required.

### Responsibility to Pay

Responsibility to pay means that the expense is in the name of a person in the FAP group.

***Exception:*** If the expense is in someone else's name, allow the expense if the FAP group claims the expense and the service address on the bill is where they live.

Do not allow any expense if the entire expense is directly paid by an agency or someone outside of the group.

An expense that is fully reimbursed is not allowed; see BEM 500, Reimbursements.

If an expense is partially reimbursed or paid by an agency or someone outside of the FAP group, allow only the amount that the group is responsible to pay, unless specific policy directs otherwise.

**Example:** HUD pays \$150 toward a FAP group's \$325 rental expense. Allow only the \$175 (\$325 rent - \$150 HUD pays = \$175) that the group is expected to pay.

### ***Shared Expenses***

Allow only the FAP group's portion of child support, medical or dependent care expenses if another person outside of the FAP group is jointly responsible. If the FAP group's share can be identified, allow that portion. Otherwise, the expense is evenly prorated among the groups responsible for it and the FAP group's prorated share is allowed.

**Note:** Shelter, the heat and utility standard and the individual utility standards are never prorated, even if the expense is shared. Refer to the following sections found in this item:

- Shelter expenses.
- Mandatory heat and utility standard.
- Mandatory individual standards.

### ***Member Removal***

The expenses of a FAP member who is no longer living with the group are removed when the member removal is processed.

## **Verification**

DHS must verify the responsibility to pay and the amount of certain expenses; see the individual expense policy for verification requirements. Document verification used in the case record.

Do not budget expenses that require verification until the verification is provided. Determine eligibility and the benefit level without an expense requiring verification if it cannot be verified.

**Note:** Do not include a medical expense that might be covered by a reimbursement if the amount of the reimbursement cannot be verified.

Treat subsequently provided verification from an eligible FAP group as a change. A supplement for lost benefits is issued only if the expense could not be verified within 30 days of the application and the local office was at fault.

## BUDGETING EXPENSES

### Budget Month

Expenses are used from the same calendar month as the month for which benefits are being determined.

**Example:** June expenses are used to determine June's benefits.

Expenses remain unchanged until the FAP group reports a change; see Bridges Administrative Manual (BAM) 220, Change Processing.

### Determining the Monthly Amount

Bridges converts all expenses (except one-time-only expenses the group does not wish to average) to a nonfluctuating monthly amount.

The same conversion method is used to determine countable available income in BEM 505. Bridges will convert a(n):

- Weekly expense, multiply the average weekly expense by 4.3.
- Twice a month expense, multiply the average weekly expense by 2.
- Every other week expense, multiply the average expense by 2.15.
- Yearly expense, average the bill over 12 months beginning with the first billing of the year.
- Quarterly expense, average the bill over three months.
- Expense billed less often than monthly. Bridges will average the one-time-only expense over the balance of the benefit

period or over the period of time the client has the responsibility to pay. The expense is allowed beginning with the first benefit month the change can affect.

**Example:** Groups that have 24-month benefit periods must be given options for one-time-only medical expenses; see Medical Expenses in this item.

### ***Home Equity Loan Expense***

To determine the countable monthly expenses for a home equity loan, use either:

- The entire amount (principal and interest) for a fixed, non-fluctuating home equity loan.
- The average of two or more recent month's payments (principal and interest) for a variable home equity loan payment, unless the FAP group states the payment amount is different for the benefit month being determined.

Document in the case record or in Bridges what months were used and why they were representative.

### ***Non-Converted Expenses***

Expenses that will not continue beyond the month following the benefit month being processed are not converted.

Budget non-converted expenses for the month they are billed or otherwise become due, regardless of when the FAP group intends to pay the expense.

Non-converted expenses are budgeted for one benefit month only.

### **Expenses for Disqualified or Ineligible Persons**

The treatment of expenses paid by or billed to ineligible or disqualified persons differs depending on the reason the person is not in the group.

Determine the appropriate month's expenses for a disqualified or ineligible person as if he were a member of the FAP group.

***Student Status***

Expenses for which the ineligible student is responsible are not budgeted.

***Employment Related Activities, IPV, Trafficking, Parole or Probation, Fugitive Felons or Divestment***

Budget total expenses, including medical expenses of a senior, disabled, disabled veteran (SDV) disqualified person. Allow unlimited excess shelter even if the only SDV member is the disqualified person.

***Social Security Enumeration, Citizenship/Alien Status, Child Support Non-Cooperation or Time Limited***

Shelter expenses, the mandatory heat and utility standard, mandatory individual standards and actual utility expenses are never prorated. However, only a prorated portion for dependent care expenses and child support expenses is allowed.

To determine the prorated amount to allow:

1. Divide the expense evenly by the number of group members, including the disqualified person(s) living with the FAP group.
2. Multiply the result by the number of eligible group members.

**Example:** One person in the group is disqualified with a child support expense of \$200.00 per month. The total group size is 4. Bridges divides \$200.00 by 4 which equals \$50.00. It then multiplies \$50.00 by 3 eligible group members which equals \$150.00 and allows a child support expense of \$150.00.

Bridges does not allow:

- Medical expenses for SDV disqualified persons.
- Unlimited excess shelter if the only SDV member is disqualified.

**CHILD SUPPORT  
EXPENSES**

The following child support expenses are allowed:

- The amount of court-ordered child support and arrearages paid by the household members to non-household members in the benefit month.

- Court-ordered third party payments (landlord or utility company) on behalf of a non-household member.
- Legally obligated child support paid to an individual or agency outside the household, for a child who is now a household member, provided the payments are not returned to the household.

Do not allow more than the legal obligation if the client is up-to-date on their child support payments. However, if they are behind and making arrearage payments, allow the total amount paid even if it exceeds the court-ordered amount. Current and arrearage child support expenses must be paid to be allowed.

## Verification

Verify child support expenses and arrearages paid to non-household members at application, redetermination and when a change is reported. All of the following must be verified:

1. The household's legal obligation to pay.
2. The monthly amount of the obligation for current child support.
3. The amount of child support the household actually pays.

Current payments must be entered separately from arrearage payments on Bridges. A separate arrearage order is not needed to allow arrearage payments. If DHS verifies child support payments are court ordered, the original court order also serves as verification of the arrearage.

## Verification Sources

Acceptable verification sources include, but are not limited to:

- For the household's legal obligation to pay and current obligation amount:
  - Court or administrative order.
  - Legally enforceable separation agreement.
- For the household's actual child support and arrearages paid:
  - Wage withholding statements.
  - Verification of withholding from unemployment compensation or other unearned income.

- Statements from the custodial parent regarding direct payments.
- Statements from the custodial parent regarding third party payments the noncustodial parent pays or expects to pay on behalf of the custodial parent.
- Data obtained from the state's Child Support Enforcement System (MICSES).

**Note:** Documents that are accepted as verification of the household's legal obligation to pay child support and arrearages are not acceptable as verification of the household's actual monthly payment.

## DEPENDENT CARE EXPENSES

Allow an unreimbursed dependent care expense for a child or an incapacitated adult who is a member of the FAP group, when such care is necessary to enable a member of the FAP group to work. This is the amount the FAP group actually pays out-of-pocket. The expense does not have to be paid to be allowed. Allow only the amount the provider expects the client to pay out-of-pocket. Work includes seeking, accepting or continuing employment; or training or education preparatory to employment.

Case Management Tip: Be especially careful in following the above dependent care expense budgeting policy if the client's dependent care is reimbursed by the Child Development and Care program (CDC) or another agency or person.

### Verification

Verify dependent care expenses at application, reported change and redetermination.

### Verification Sources

Acceptable verification sources include, but are not limited to, bills or written statement or collateral contact with the provider.

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**MEDICAL  
EXPENSES****Application and  
Redetermination**

Consider only the medical expenses of SDV persons in the eligible group or SDV persons disqualified for certain reasons; see Expenses for Disqualified or Ineligible Persons in this item. Estimate an SDV person's medical expenses for the benefit period. Base the estimate on all of the following:

- Verified allowable medical expenses.
- Available information about the SDV member's medical condition and health insurance.
- Changes that can reasonably be anticipated to occur during the benefit period.

***During the Benefit Period***

A FAP group is not required to, but may voluntarily report changes during the benefit period. Process changes during the benefit period only if they are one of the following:

- Voluntarily reported and verified during the benefit period such as expenses reported and verified for MA deductible.
- Reported by another source and there is sufficient information and verification to determine the allowable amount without contacting the FAP group.

***One-Time-Only Expenses***

Groups that do not have a 24-month benefit period may choose to budget a one-time-only medical expense for one month or average it over the balance of the benefit period. Bridges will allow the expense in the first benefit month the change can affect.

***Exception:*** Groups that have 24-month benefit periods must be given the following options for one-time-only medical expenses billed or due within the first 12 months of the benefit period:

3. Budget it for one month.

4. Average it over the remainder of the first 12 months of the benefit period.
5. Average it over the remainder of the 24-month benefit period.

**Example:** Sally has a \$1,200 emergency room bill in 11/08. It is not covered by Medicaid or any medical insurance and she received the first bill for this service in 1/09. Her FAP benefit period is 10/1/08 through 9/30/10. She can elect to use:

- The entire \$1,200 deduction to affect 2/09 benefits. This would probably increase her FAP to the maximum amount for that one month.
- \$150 per month (\$1,200 bill divided by 8 months remaining in the first 12 months of her benefit period) to affect 2/09 through 9/09. This would probably increase her FAP benefits by \$50 per month for eight months.
- \$60 per month (\$1,200 bill divided by 20 months remaining in the benefit period) to affect 2/09 through 9/10. This would probably increase her FAP benefits by \$20 for 20 months. (If she were within \$20 of the maximum, this option would benefit her the most.)

### Allowable Medical Expenses

Allowable medical expenses are limited to the following:

- Medical and dental care including psychotherapy and rehabilitation services provided by a licensed practitioner authorized by State law or other qualified health professional.
- Hospitalization or nursing care. Include these expenses for a person who was a group member immediately prior to entering a hospital or nursing home.
- Prescription drugs and the postage for mail-ordered prescriptions.
- Costs of medical supplies, sickroom equipment (including rental) or other prescribed medical equipment (excluding the cost for special diets).
- Over-the-counter medication (including insulin) and other health-related supplies (bandages, sterile gauze, incontinence

pads, etc.) when recommended by a licensed health professional.

- Premiums for health and hospitalization policies (excluding the cost of income maintenance type health policies and accident policies, also known as assurances). If the policy covers more than one person, allow a prorated amount for the SDV person(s).
- Medicare premiums.
- Dentures, hearing aids and prosthetics including the cost of securing and maintaining a seeing eye or hearing dog or other assistance animal. (Animal food and veterinary expenses are included.)
- Eyeglasses when prescribed by an ophthalmologist (physician-eye specialist) or optometrist.
- Actual costs of transportation and lodging necessary to secure medical treatment or services. If actual costs cannot be determined for transportation, allow the cents-per-mile amount at the standard mileage rate for a privately owned vehicle in lieu of an available state vehicle. To find the cents-per-mile amount go to the Michigan Department of Management and Budget at [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb), select Services & Facilities from the left navigation menu, then select Travel. On the travel page, choose Travel Rates and High Cost Cities using the rate for the current year.
- The cost of employing an attendant, homemaker, home health aide, housekeeper, home help provider, or child care provider due to age, infirmity or illness. This cost must include an amount equal to the maximum FAP benefits for one person if the FAP group provides the majority of the attendant's meals. If this attendant care cost could qualify as both a medical expense and a dependent care expense, it must be treated as a medical expense.
- A Medicaid deductible is allowed if the following are true.
  - The medical expenses used to meet the Medicaid deductible are allowable FAP expenses.
  - The medical expenses are not overdue. See below.

**Note:** Medical marijuana is not an allowable medical expense.

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**Estimating and  
Determining an  
Allowable Medical  
Expense**

Estimate an SDV person's medical expenses for the benefit period. The expense does not have to be paid to be allowed. Allow medical expenses when verification of the portion paid, or to be paid by insurance, Medicare, Medicaid, etc. is provided. Allow only the non-reimbursable portion of a medical expense. The medical bill cannot be overdue.

The medical bill is not overdue if one of the following conditions exists:

- Currently incurred (for example, in the same month, ongoing, etc.).
- Currently billed (client is receiving the bill for the first time for a medical expense provided earlier and the bill is not overdue).
- Client made a payment arrangement before the medical bill became overdue.

**VERIFICATION**

Verify allowable medical expenses including the amount of reimbursement, at initial application and redetermination. Verify reported changes in the source or amount of medical expenses if the change would result in an increase in benefits.

Do not verify other factors, unless questionable. Other factors include things like the allowability of the service or the eligibility of the person incurring the cost.

**VERIFICATION  
SOURCES**

Acceptable verification sources include, but are not limited to:

- Current bills or written statement from the provider, which show all amounts paid by, or to be paid by, insurance, Medicare or Medicaid.
- Insurance, Medicare or Medicaid statements which show charges incurred and the amount paid, or to be paid, by the insurer.

- DHS-54A, Medical Needs, completed by a licensed health professional.
- SOLQ for Medicare premiums.
- Written statements from licensed health care professionals.
- Collateral contact with the provider. (Most commonly used to determine cost of dog food, over-the-counter medication and health-related supplies, and ongoing medical transportation).

## SHELTER EXPENSES

Allow a shelter expense when the FAP group has a shelter expense or contributes to the shelter expense. Do not prorate the shelter expense even if the expense is shared. Shelter expenses are allowed when billed. The expenses do not have to be paid to be allowed.

Late fees and/or penalties incurred for shelter expenses are not an allowable expense.

**Note:** When a shelter expense is paid in advance, continue to allow the ongoing monthly shelter expense. Example: A client's monthly shelter expense is \$300. They pay \$900 to the landlord to cover the months of April-June. Continue to allow the monthly shelter obligation of \$300 in the FAP budgets for April-June.

## Housing Expenses

Housing expenses include rent, mortgage, a second mortgage, home equity loan, required condo or maintenance fees, lot rental or other payments including interest leading to ownership of the shelter occupied by the FAP group.

The expense must be a continuing one. Payments that exceed the normal monthly obligation are not deductible as a shelter expense unless the payment is necessary to prevent eviction or foreclosure, and it has not been allowed in a previous FAP budget. Additional expenses for optional charges, such as carports, pets, etc. are not allowed.

**Note:** Some finance companies or banks may combine billings for allowable shelter expenses with other loans. Be careful to only allow the portion that is an allowable shelter expense. Home equity

loans are allowable, see Determining the Monthly Amount, Home Equity Loan Expense in this item.

### ***Temporary Housing***

If FIP or SDA shelter vendor payments are made on behalf of a FAP group residing in temporary housing per BEM 500, Government Aid section, subtract the vendor payment from the total shelter amount to determine the allowable shelter expense.

### ***Rental Income Situations***

Do not deduct the cost of doing business from the shelter expense of a FAP group with rental income.

## **Property Taxes, Assessments and Insurance**

Property taxes, state and local assessments and insurance on the structure are allowable expenses. Do not allow insurance costs for the contents of the structure, for example, furniture, clothing and personal belongings.

Deduct the entire insurance charge for structure and contents when the amount for the structure cannot be determined separately.

Renter's insurance is not allowed.

## **Home Repair Expenses**

Allow charges for repair of a home which was substantially damaged or destroyed due to a natural disaster such as fire or flood.

**Note:** Do not allow any portion of an expense that has been or will be reimbursed by any source.

## **Verification**

Verify shelter expenses at application and when a change is reported. If the client fails to verify a reported change in shelter, remove the old expense until the new expense is verified.

Verify the expense and the amount for housing expenses, property taxes, assessments, insurance and home repairs.

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**Verification  
Sources**

Acceptable verification sources include, but are not limited to:

- Mortgage, rental or condo maintenance fees contracts or a statement from the landlord, bank or mortgage company.
- Copy of tax, insurance, assessment bills or a collateral contact with the appropriate government or insurance office.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address if verifying shelter, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification form. A copy of this form will be sent to the FAP group and a task and reminder sent to the specialist when a change of address is done in Bridges. The due date will be on the form. The specialist must monitor for return of the form and take appropriate action if it is or is not returned.
- Current lease.

**MANDATORY HEAT  
AND UTILITY  
STANDARD**

The heat/utility (h/u) standard covers all heat and utility costs including cooling, except actual utility expenses, for example, installation fees etc.; see Actual Utilities in this item. Do not prorate the h/u standard even if the heating/cooling expense is shared.

FAP groups that qualify for the h/u standard do not receive any other individual utility standards. Do not require verification of the other utility standards if the household is already eligible for the h/u standard.

**Effective May 1,  
2014**

**Applications**

When processing applications, redeterminations, or when a change is reported clients are **not** automatically allowed the h/u standard.

Process these using the policy as written in the MANDATORY HEAT AND UTILITY STANDARD section.

### **Delayed Implementation of Changes Due to Agricultural Act of 2014 (End of the Dollar LIHEAP Program)**

For all FAP groups that received the h/u standard on or before February 7, 2014, the h/u standard will remain in place for a period of five months after the month of their first redetermination or first reported case change occurring on or after May 1, 2014. In order to continue receiving the h/u standard beyond the expiration of the five month period, the FAP group must meet the requirements of the MANDATORY HEAT AND UTILITY STANDARD section.

Example: Sally's FAP group received the h/u standard on or before February 7, 2014. Her case either has its first redetermination or first reported case change after May 1, 2014 in the month of May, with the benefit period beginning in June. The delayed implementation change requires her benefit issuance amount starting in November to include only the utilities for which she is responsible to pay. Therefore, from June through October, she will continue to automatically receive the h/u standard. However, if she does not verify any responsibility for utilities, then starting with her November FAP issuance her budget will no longer contain any heat or utility expenses.

### **Heating Separate from Housing Costs**

A FAP group which has a heating expense or contributes to the heating expense separate from rent, mortgage or condominium/maintenance payments must use the h/u standard.

#### ***Heat Verification***

Verify heating separate from housing costs at application, redetermination, or when a change is reported.

#### ***Heat Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for heating/cooling expenses.

- Collateral contact with the landlord or the heating/cooling provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification.
- Current lease.

### **Cooling Separate from Housing Costs**

FAP groups who pay for cooling (including room air conditioners) are eligible for the h/u standard if they verify they have the responsibility to pay for non-heat electric.

#### ***Verification***

Verify non-heat electric at application, redetermination, or when a change is reported.

#### ***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for electric expenses.
- Collateral contact with the electric provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification.
- Current lease.

**Heat Included in  
Rent or Fees**

FAP groups whose heat is included in their rent or fees are not eligible for the h/u standard, unless either of the following apply:

- They are billed for excess heat payments from their landlord.
- They report that they received, applied for or will be applying for a home heating credit (HHC) in the current fiscal year (October through September) for their current address.

***Verification***

Verify the excess heat expense at application, redetermination, or when a change is reported. . Accept client's statement regarding home heating credit receipt or future application.

***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the landlord for excess heat expenses.
- Collateral contact with the landlord.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

**Electricity Included  
in Rent or Fees**

FAP groups whose electricity is included in their rent or fees are not eligible for the h/u standard unless their landlord bills them separately for cooling.

***Verification***

Verify separate cooling charge at application, redetermination, or when a change is reported.

***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the landlord for separate cooling expense.
- Collateral contact with the landlord.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### Shared Meters or Expenses

If the FAP group has any responsibility for the heating/cooling expense, use the h/u standard.

#### **Verification**

Verify the heating/cooling expense at application, redetermination, or when a change is reported.

#### **Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the landlord.
- Collateral contact with the landlord.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### MANDATORY INDIVIDUAL STANDARDS

FAP groups not eligible for the h/u standard who have other utility expenses or contribute to the cost of other utility expenses are eligible for the individual utility standards. Use the individual standard for each utility the FAP group has responsibility to pay. Do not prorate the utility standard even if the expense is shared.

**Non-Heat Electric  
Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for non-heat electricity separate from rent/mortgage or condo/maintenance fees, must use the non-heat electric standard. The standard covers only non-heat electric.

***Verification***

Verify non-heat electric expense at application, redetermination, or when a change is reported.

***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for electric expenses.
- Collateral contact with the electric provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.
- DHS-3688, Shelter Verification.
- Current lease.

**Water and/or  
Sewer Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for water and/or sewer separate from rent/mortgage or condo fees, must use the water and/or sewer standard. The standard covers only water and/or sewer expenses.

***Verification***

Do not verify the water or sewer expense, unless questionable; see BAM 130 regarding verification of questionable data.

***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for water or sewer expenses.
- Collateral contact with the water or sewer provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### Telephone Standard

A FAP group which has no heating/cooling expense but has a responsibility to pay for a traditional land-line service, cellular phone service including per-minute or per-call service and voice over Internet protocol (VoIP) must use the telephone standard. The standard covers only the telephone expense.

#### **Verification**

Do not verify the telephone expense, unless questionable; see BAM 130 regarding verification of questionable data.

#### **Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the telephone provider.
- Collateral contact with the telephone provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

### Cooking Fuel Standard

A FAP group which has no heating/cooling expense but has a responsibility to pay for cooking fuel separate from rent/mortgage or condo fees, must use the cooking fuel standard. The standard covers only cooking fuel expenses.

**Verification**

Do not verify the cooking fuel expense, unless questionable; see BAM 130 regarding verification of questionable data.

**Verification Sources**

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for cooking fuel expenses.
- Collateral contact with the cooking fuel provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

**Trash Removal  
Standard**

A FAP group which has no heating/cooling expense but has a responsibility to pay for trash or garbage removal separate from rent/mortgage or condo fees, must use the trash removal standard. The standard covers only trash removal.

**Verification**

Do not verify the trash or garbage removal expense, unless questionable; see BAM 130 regarding verification of questionable data.

**Verification Sources**

If the trash or garbage removal expense is questionable, acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider for trash removal.
- Collateral contact with the trash removal provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

**ACTUAL UTILITIES**

Actual utility expenses will be used for the following expenses only:

- Utility installation charges (not deposits).
- Water well installation and maintenance.
- Septic installation and maintenance.

**Note:** Do not allow an actual utility expense for reconnection fees after service has been turned off for the same people at the same address.

***Verification***

Verify the actual expense.

***Verification Sources***

Acceptable verification sources include, but are not limited to:

- Current bills or a written statement from the provider.
- Collateral contact with the provider.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense.

**SHELTER COSTS  
FOR UNOCCUPIED  
HOME**

Allow shelter costs for a home temporarily unoccupied by the FAP group due to:

- Employment or training away from home.
- Illness.
- Abandonment caused by a natural disaster or casualty loss.

Include shelter costs for a temporarily unoccupied home, provided all of the following are true:

- The FAP group intends to return to the home.
- The current occupants of the home, if any, are not claiming shelter costs on that home for FAP purposes.

- The home is not being leased or rented to others during the FAP group's absence.

### Allowable Expenses

Allow the following expenses:

- Basic shelter expenses as described above.
- Heat and Utility Standard, or individual utility standards.
- Utility installation fees charged by the utility provider, excluding deposits.
- Well/septic installation and maintenance.

**Exception:** Heat and utility expenses may only be claimed for one home.

### Verification

The FAP group must verify these expenses for a deduction to be allowed. DHS is not required to assist FAP groups in obtaining verification of shelter costs for an unoccupied home in another county or state.

### FAP ALLOWABLE EXPENSES - DESK AID

Ineligible student has expense?	If no, go to the next section. If yes, do not allow the expense.
Disqualified due to: Lack of SSN, alien status. Time limited, child support. Has expense?	If no, go to the next section. If yes, allow full shelter, heat and utility expenses. Prorate other expenses, such as child support and dependent care expenses, between the household members. Allow the prorated portion designated for the eligible group members.
Disqualified due to: IPV. Employment related. Divestment. Has expense?	If no, go to the next section. If yes, allow full expense.
Receives subsidized housing?	If no, go to the next section. If yes, allow only the portion of the rent for which the client is responsible.

Verifications.	Required at application and reported change. Acceptable verifications: DHS-3688. Current lease. Rent receipt. Collateral contact with the landlord. Statement from HUD. These types of verifications must identify the client and the client's address and obligations.
Housing/rent responsibility?	If no, do not allow an expense. Go to the next section. If yes, allow the full expense. Do not allow late fees, penalties or one-time deposits.
Verifications.	Required at application and reported change. Acceptable verifications: DHS-3688. Current lease. Rent receipt Collateral contact with landlord. These types of verifications must identify the client and the client's address and obligations.
Purchasing home or ownership responsibility?	If no, do not allow an expense. Go to the next section. If yes, allow the full expense.  Allow taxes, insurance, required maintenance and condo fees the client is responsible for that are not included in the mortgage payment. Do not allow late fees or penalties.
Verifications.	Required at application and reported change. Acceptable verifications: DHS-3688. Land contract. Tax bills. Insurance bills. Mortgage papers. Assessment bills. Collateral contact. These types of verifications must identify the client and the client's address and obligations.
Effective May 1, 2014 Applications When processing applications, redeterminations, or when a change is reported clients are <b>not</b> automatically allowed the h/u standard. Process these using the policy as written in the MANDATORY HEAT AND UTILITY STANDARD section in	

this item.	
Responsible for heating expenses separate from mortgage/rent/fees?	If no, do not allow the heat and utility (h/u) standard. Go to the next section. If yes, allow the h/u standard, which includes all the individual utility standards.
Heat Verifications.	At application and reported change, enter the appropriate verification source, if available. Enter client statement if you do not have verification. Acceptable verifications: DHS-3688. Current lease. Current bill that identifies the expense. Collateral contact with the landlord or provider.  Verify the heat obligation only if questionable for groups that have verified that they own or are purchasing the home they occupy. If the heating bill is in someone else's name, allow the expense if the client claims the expense and the service address on the bill is where the FAP group lives. The heat obligation must be verified to allow the heat and utility standard, even if the client received, applied or expects to apply for an HHC. 4. The HHC does not need to be verified unless questionable.
Responsible for cooling expenses separate from rent/fees?	If no, do not allow the h/u standard. Go to the next section. If yes, allow the h/u standard, which includes all the individual utility standards if the client varies they have a non-heat electric expense.
Cooling Verifications	Enter the appropriate verification source, if available. Enter <b>client statement</b> if you do not have verification. Acceptable verifications. DHS-3688. Current lease. Current bill that identifies the expense for the FAP group. Collateral contact with the landlord or provider. Note: If the non-heat electric bill is in someone else's name, allow the expense if the client claims the expense and the service address on the bill is where the FAP group lives.
Heat included in rent/fees, but responsible for either: Excess heat costs. Receiving/applying for home heating credit?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the h/u standard. The client will indicate on the DHS-1171, that they received, applied for or will be applying for the home heating credit warrant in the current fiscal year for their current address.

Verifications.	Enter the appropriate verification source, if available. Enter <b>client statement</b> if you do not have verification. Acceptable verifications: Current bills or written statement from the landlord. Collateral contact with the landlord. Cancelled checks, receipts or money order copies, if current. Note: The HHC does not need to be verified unless questionable. <b>Acceptable HHC verifications:</b> Copy of the home heating credit warrant. Copy of the application.
Electricity included in rent/fees, but responsible for: Excess cooling costs.	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the h/u standard.
Verifications.	Enter the appropriate verification source, if available. Enter <b>client statement</b> if you do not have verification. <b>Acceptable verifications:</b> Current bills or written statement from the landlord. Collateral contact with the landlord. Cancelled checks, receipts or money order copies, if current.
Responsible for non-heat electric expenses and not eligible for the h/u standard?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the non-heat electric standard.
Verifications.	Enter the appropriate verification source, if available. Enter client statement if you do not have verification. Acceptable verifications: DHS-3688. Current lease. Current bill that identifies the expense for the FAP group. Collateral contact with the landlord or provider. If the non-heat electric bill is in someone else's name, allow the expense if the client claims the expense, and the services address on the bill is where the FAP group lives.
Responsible for water and/or sewer expenses and not eligible for the h/u standard?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the water and/or sewer standard.
Verifications	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group. Collateral contact with the landlord or provider. If the water and/or sewer bill is in someone else's name, allow the expense if the client claims the expense and the service address on the bill is where the FAP group lives.

Responsible for telephone, monthly cellular phone plans and not eligible for the h/u standard (Y/N)?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the telephone standard.
Verifications.	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group <b>and</b> , must include at least the monthly basic fee. Collateral contact with the provider.
Responsible for cooking fuel expenses and not eligible for the h/u standard?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the cooking fuel standard.
Verifications.	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group. Collateral contact with the provider.
Responsible for trash removal expenses and not eligible for the h/u standard (Y/N)?	If no, do not allow the heat and utility standard. Go to the next section. If yes, allow the trash removal standard.
Verifications.	Not required, unless questionable. Acceptable verifications: Current bill that identifies the expense for the FAP group. Collateral contact with the provider.
Actual utility expenses?	If no, go to the next section. If yes, allow only the following expenses: Utility installation charges ( <b>not deposits</b> ). Water well installation and maintenance. Septic installation and maintenance.
Verifications.	Verify the actual expense. Acceptable verifications include, but are not limited to: Current bills or a written statement from the provider. Collateral contact with the provider. Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address, the provider of the service and the name of the person paying the expense. Do not allow an actual utility expense for reconnection fees after the service has been turned off for the same people at the same address.

**LEGAL BASE**

7 CFR 273.8(h)

7 CFR 273.9(d),.10(d)(6),.11(c),.21

7 CFR 273.9 (c)(10)(11)

42 USC 8621 - 8630

Michigan Low Income Heating Assistance and Shut Off Protection Act, MCL 400.1201 et. Al

Agricultural Act of 2014, Section 4006

**EFFECTIVE**

May 1, 2014.

**Subject(s)**

All new FAP applications that were not certified before March 10, 2014, when the Agricultural Act of 2014 went into effect, will be reprocessed to follow the MANDATORY HEAT AND UTILITY STANDARD section and will be required to provide verification once the systems changes are completed on May 1, 2014.

Under the Agricultural Act of 2014, in order for a client to receive the h/u standard because of the home heating credit (HHC), the client must have received the HHC in an amount greater than \$20 in the current month or in the immediately preceding 12 months. The HHC must be verified; client statement is no longer acceptable.

Under the Agricultural Act of 2014, in order for a client to receive the h/u standard because of a Low-Income Home Energy Assistance Act (LIHEAP) payment, the client must have received either: (1) a LIHEAP payment; or (2) a LIHEAP payment was made on their behalf. Either payment must be in an amount greater than \$20 in the current month or the immediately preceding 12 months.

**Note:** LIHEAP payments may include SER energy related payments or MEAP payments. The LIHEAP payment must be verified; client statement is no longer acceptable.

*Reason:* Policy clarification.

**EFFECTIVE**

June 1, 2014.

**Subject(s)**

**SSI related MA**

The allowable principal value for funeral contracts has increased to \$12,130 effective June 1, 2014.

*Reason:* Annual update.

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**EFFECTIVE**

June 1, 2014.

**Subject(s)**

Pilot Policy

**Partners**

- **Department of Human Services (DHS)**
- **Jackson County, DHS.**
- **Medical Consultation Staff.**
- **Field Operations Administration.**
- **Policy and Field Legal Services.**
- **Allegiance Health/Hospital**
- **Licensing and Regulatory Affairs (LARA)**
- **Michigan Administrative Hearing System (MAHS)**

**Introduction**

This pilot project was developed to expedite a final eligibility determination for individuals who are seeking Medicaid (MA) assistance and allow those individuals to speak with a disability examiner regarding the disability determination and a first line manager for eligibility determination concerns. Highlights of the policy changes are listed below.

Both current policy and pilot policy will continue to have disability determinations made by the Medical Review Team (MRT) and eligibility determinations made by the DHS specialist.

The pilot will begin on June 1, 2014.

**Prehearing Conference**

This pilot adds a prehearing conference for MA disability cases. Current policy does not require a prehearing conference for disability related determinations.

Prior to the pilot, prehearing conferences were not scheduled for hearing requests disputing disability determinations for the simple fact that the Department did not make the decision and was unable to discuss how the decision was made with the individual.

**In this pilot, a senior disability examiner will participate via telephone (teleconference) during the prehearing conference and be able to discuss all of the following:**

- The individual's disability.
- The Social Security Administration (SSA) sequential evaluation process.
- The SSA disability listings.
- How all of the above relate to the individual and the medical evidence provided.
- How all of the above was used in the determination process.
- Any additional medical evidence the individual may bring to the prehearing conference.

In addition, the prehearing conference will include a DHS first line manager. The manager will be available to discuss any eligibility concerns that arise at the prehearing conference.

The combination of senior disability examiner and first line supervisor ensure a meaningful prehearing conference, adding the value of their expertise to explain why the individual does not meet the disability criteria, or be able to discuss the individual's disability and review any additional verification presented.

### **State Hearing Review Team (SHRT)**

Current policy requires all cases disputing a disability determination to be sent for a second level review by the SHRT. This pilot eliminates the SHRT review as the second level review will be completed by the senior MRT.

### **Hearings Packets**

Hearing packets will be retained in electronic format. The hearing packets, including all medical documentation will be scanned into a SharePoint team site.

### **Share Point Team Site**

DHS and MAHS set up a shared team site for this pilot. All pilot cases will be transferred to MAHS in the team site and all MAHS information will be available to DHS staff in the team site.

## **Purpose**

This pilot focuses on implementing changes necessary to create a coordinated and integrated system across departments, thereby

improving the quality and efficiency of customer service. The pilot provides a meaningful opportunity to resolve client concerns at the earliest time frame possible, while reducing the need for an administrative hearing, reduce the paper flow and the wait time for individuals who do progress to the administrative hearing level.

The reduction in the number of administrative hearing will result by scheduling and holding meaningful prehearing conferences at the local level. The pre-hearing conference will open the lines of communication for individuals served by the Department who have concerns over case actions taken, including the disability determination, up to a first line manager and a senior MRT in an attempt to provide individuals with a complete understanding of the case action(s) taken.

It is anticipated that most clients will take advantage of the prehearing conference before the case proceeds to MAHS for an administrative hearing.

## **Process**

The project will include all requests for hearings that are received by the Allegiance Group from an application taken at Allegiance Health – Medical Contact Workers located at Allegiance Health on June 1, 2014, and continue through May 31, 2015. Hearing requests that dispute any case actions, including the MRT decision, will be considered pilot cases.

## **ADMINISTRATIVE HEARING**

MA and SDA disability programs

The administrative hearing process for this pilot begins when a request for hearing is received and continues through implementation of the decision and order.

The first level in this appeals process is a meaningful prehearing conference at the local office level. This pilot is for medical cases and associated assistance payments programs.

Individuals will be chosen for the pilot after an Allegiance Financial Counselor or DHS Medical Contact Worker (MCW) screens the individual. The screening criteria can include any:

1. Individual who presents to Allegiance Health with no medical insurance or is underinsured.

2. Individual who declares assets below the asset level for any MA program.
3. Any individual who is not under age 21, over age 65, pregnant, or the parent or caretaker of a child.

### Scheduling Meaningful Prehearing Conference

Within one business day of receiving a request for hearing, the MCW will:

- Schedule a meaningful prehearing conference. A meaningful prehearing conference must be scheduled no later than the 11th day from the date DHS receives the request for hearing, unless the client and AHR chooses not to attend the prehearing conference.

**Note:** When the 11th day falls on a non-workday, the prehearing conference must be scheduled by the next work day.

- A DHS-1560, Prehearing Conference Notice, must be generated and mailed to the client and AHR upon receipt of a hearing request.
- Enter the scheduled prehearing conference on the hearings log.
- Contact third party representatives, if applicable. Examples include: MRT and Office of Child Support.

### Meaningful Prehearing Conference

The meaningful prehearing conference should be held on the date/time scheduled and include the client, AHR if any and a DHS Supervisor. The senior disability examiner will participate via telephone (teleconference). All are scheduled as in-person conferences at the:

Jackson County DHS  
301 E. Louis Glick Highway  
Jackson, MI 49201.

**NOTE:** At the request of the client or AHR, the meaningful prehearing conference may be rescheduled once.

Do all of the following at the pre-hearing conference:

- Determine why the client or AHR is disputing the DHS action.
- Review any documentation the client or authorized hearing representative provide in support of the allegation.
- Explain the department's position, identify and discuss the differences.
- Determine whether the dispute can be resolved locally or requires MAHS to resolve.

**Note:** If the client or AHR does not attend a meaningful prehearing conference, the senior MRT will review the medical case packet and any new medical document, if any, for a final review before submitting the packet and document(s) to MAHS.

#### Outcomes

1. Client fails to appear.

- Prepare DHS-3050, Hearing Summary, and hearing packet with all evidence DHS plans to submit at the administrative hearing.
- Scan the case record into SharePoint.
- Prepare a hearing packet for MAHS, client and the AHR. Mail the packet to each.

2. Request is inappropriate.

Prepare DHS-3050, Hearing Summary, identify in the first sentence why DHS feels the request is inappropriate.

Compete the hearing packet with all evidence DHS plans to submit at the administrative hearing.

Place case into SharePoint.

- Prepare a paper file for the client and the AHR.
- Mail each paper packet.

3. Client and/or AHR withdrawals.

Withdrawal prior to hearing packet being submitted to MAHS.

- At any time during a meaningful prehearing conference, the client or AHR may choose to withdraw his/her request for hearing. When such a request is made, complete a DHS-18M, Hearing Request Withdrawal form.
- Secure signature on the DHS-18M, Hearing Request Withdrawal, and place in the hearing packet.
- Provide a copy to the client and AHR.
- Scan DHS-18 and DHS-18M and upload into SharePoint.
- Dispose of the request in Bridges and dispose of the request on the hearings log.
- Notify any DHS partners of the withdraw and disposition.
- Close out the request for hearing in this manner, and take no further action.

Withdrawal after the hearing packet is submitted. Withdrawals not in person.

- When the client or AHR requests a hearing request withdrawal form outside of the Meaningful Prehearing Conference setting, the DHS-18A, Hearing Request Withdrawal, must be used.
- Secure signature on the DHS-18A, Hearing Request Withdrawal.
- Notify MAHS via SharePoint of the withdrawal. Attach DHS-18A.

4. Scheduled for an administrative hearing at MAHS.

- Complete the DHS-3050, Hearing Summary, and evidence packet.
- Scan hearing summary and evidence packet to MAHS using SharePoint.
- Notify MAHS to schedule the client for an administrative hearing.

- Complete DHS - 1216-AP, Request for Attorney General Representation, and all required documentation for the AGs office if applicable.

MAHS will schedule the administrative hearing and send notification to all parties. DHS will receive notification via the SharePoint team site.

**LIMITATIONS**

All current DHS policies and procedures remain in effect unless specifically mentioned as a change in this pilot policy.

**LEGAL BASE**

MCL 400.14g

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**EFFECTIVE**

July 1, 2014.

**Subject(s)**

1. Application Filing and Registration.
2. FAP fault determination.
3. Subsequent benefits.
4. Voter registration services.
5. Legal base.
6. Hearings.
7. Data exchanges.
8. Food Assistance Program (FAP) group composition.
9. Short Term Family Support (STFS).
10. Adult Medical Program (AMP).
11. Plan First! Family Planning Program.
12. SSI referral, application, denial and appeal.
13. School attendance and student status.
14. MiCAP targeted population.
15. Electronic Benefit Transfer Issuance (EBT) cards.
16. Medical transportation.
17. Miscellaneous.

**1) Application  
Filing Registration****BAM 110****FAP****Authorized Representatives**

If an authorized representative (AR) applies on behalf of the group, verification of identity is required for both the AR and the head of household.

*Reason:* Clarification.

**FAP Only****Who May Be an Authorized Representative**

An AR who applies on the group's behalf and is member of the group can be any age. If outside the group, they must be at least 18.

Age restrictions do not apply for an AR designated by the group to have access to their FAP benefits to buy the group's food and have their own Bridge card.

An AR who applies on behalf of the client and/or has access to the client's FAP benefits must be designated in writing by the client.

*Reason:* Clarify the differences between an AR who applies on half of the group and an AR designated by the group to have access to their FAP benefits.

### **FIP, SDA, RCA, CDC and FAP Only**

#### **Where to Apply/Process Applications**

In Oakland and Wayne counties, specialized districts process applications for refugee individuals and families.

*Reason:* New process.

## **2) FAP Fault Determination**

### **BAM 115**

#### **FAP Only**

The DHS-1605, Notice of Case Action, replaces the DHS-1150E, Food Assistance Application Notice, to inform the group when their standard of promptness (SOP) is being extended if the group is at fault.

*Reason:* Form change.

## **3) Subsequent Benefits**

### **BAM 117**

#### **FAP**

If waived verifications/actions are **not** met by the 10th day following the request (or by the extended date, if granted), take the required actions in Bridges timely to deny the ongoing FAP benefits for the remainder of the benefit period.

*Reason:* Clarification.

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#### 4) Voter Registration Services

##### **BAM 125**

References to the Reference Forms and Publications Manual (RFF) have been removed.

*Reason:* Policy clarification.

*Communication plan:* Revision to current job aid on the OWTD training site.

#### 5) Legal Base

##### **State Disability Assistance (SDA)**

**BAM 205, 210, 220, 300, 305, 310, 400, 420, 425, 430, 500, 505, 800, 801, 802, 803, 804, 807, 808, 809, 811, 815, 825**

**BEM 203, 220, 221, 223, 225, 240, 256, 271, 272, 400, 500, 501, 503, 504, 505, 520, 615**

The Michigan Administrative Code for State Disability Assistance has been added to the legal base.

*Reason:* Legal base clarification.

##### **Child Development and Care (CDC)**

**BAM 110, 115, 205, 210, 220, 300, 500, 505, 600, 800, 802, 807, 808, 811**

**BEM 100, 203, 220, 221, 225, 245, 270, 500, 501, 502, 503, 504, 505**

*Reason:* Legal base has been updated.

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## 6) Hearings

### BAM 600

#### Meaningful Prehearing Conference

When a disputed case action involves a fugitive felon decision, OIG does **not** participate in the conference. The felony warrant letter must be requested from OIG by the Hearings Coordinator prior to the prehearing conference. Please see the Office of Workforce Development and training job aid, Felony Match Related Hearings, OIG & DHS Responsibilities.

#### Withdrawals Requested In-Person at the Meaningful Prehearing Conference

Once the DHS-18M, Hearing Request Withdrawal In-Person Meaningful Prehearing Conference, form is signed in person by the client/AHR, it should be placed in the case file. This form or any other paperwork regarding the hearing request is not to be sent to MAHS.

#### Hearing Decisions

The following exception was added:

**Exception:** For Medicaid disability determinations, the administrative law judge (ALJ) will review the evidence for completeness and responsiveness and generally make a decision based on the evidence admitted into the record as to disability, including evidence the ALJ has obtained directly.

#### Admission of Evidence

##### SDA and Medicaid Only

When requested evidence is received, the ALJ will review the evidence for completeness and responsiveness and determine whether the evidence is material and relevant.

The client is responsible for providing evidence to support his or her claim. If the client does not provide medical or other evidence the ALJ needs and requests, the ALJ will generally make a decision based on the evidence in record, including evidence the ALJ has obtained directly. To document that the ALJ has made an attempt to fully and fairly develop the record, the ALJ will document all attempts to obtain the evidence as an exhibit(s) in the record.

### **Rehearing/Reconsideration Requests**

Reconsideration requests for all programs except Child Development and Care (CDC) should now be sent to Field Operations Administration, Central Office, Grand Tower Building, Suite 1406, and P.O. Box 30037, Lansing, MI 48909 or faxed to (517) 335-3676. The policy email boxes remain the same.

*Reason:* Policy clarifications, state hearings review team (SHRT) decisions removed, and change in mailing address and fax number for reconsideration requests.

## **7) Data Exchanges**

### **BAM 800 and 807**

#### **Data Exchanges/New Hires**

The new hire information is now received through the Michigan New Hire Operations Center instead of the Michigan Department of Treasury.

### **BAM 804**

#### **SSA Prisoner Match**

Update the living arrangement type and run eligibility determination benefit calculation (EDBC) when it is verified that the client is incarcerated.

### **BAM 807**

#### **New Hires**

It is best practice to resolve information obtained from a New Hires report within 21 calendar days from the date the match is reported to the specialist.

*Reason:* Policy update and clarification.

## **8) Food Purchase and Preparation**

### **BEM 212**

#### **FAP Only**

The word "customarily" is replaced with the word "usually".

*Reason:* Policy clarification.

*Communication Plan:* A memo from the Field Operations Administration and a job aide from the Office of Workforce Development and Training.

## 9) Short Term Family Support

### **BEM 218**

The STFS policy manual has been reorganized and updated with emphasis on the specialist being responsible for determining if an applicant who is FIP eligible meets the criteria for the STFS program.

Do not offer STFS to a work eligible individual (WEI) applicant if they refuse suitable employment without good cause within 30 days prior to the date of application or while the application is pending.

Only offer STFS to a family if there is a verifiable source of income in the next 60-90 days.

Examples of when a family may be eligible for STFS have been added.

The specialist must document in *Bridges Case Comments* the decision and reason used for offering the family STFS.

STFS can only be authorized within 30 days of the application date. If the specialist is unable to authorize the STFS by this date, process the application for ongoing FIP.

Verification Requirements were added to the policy item.

*Reason:* Policy reorganization and update.

## 10) Plan First! Family Planning Program

### **BEM 124**

The Plan First! Family Planning Program, a health coverage program operated by the Michigan Department of Community Health (MDCH), has been removed from the Bridges Eligibility Manual (BEM).

*Reason:* The waiver ended June 30, 2014.

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**11) AMP**

**BEM 113, 221, 225, 240, 256, 260, 261, 271, 400, 500, 501, 503, 504, 615**

**BAM 110, 115, 120, 130, 210, 220, 300, 310, 400, 402, 600, 800, 802, 803, 804, 805, 807, 808, 809**

**All Programs**

References to the Adult Medical Program (AMP) have been removed as the program has ended.

*Reason:* Program ended March 30, 2014.

**12) SSI Referral,  
Application, Denial  
and Appeal****BEM 271****STATE DISABILITY ASSISTANCE (SDA)**

SDA is now aligned with MA for final SSI determinations.

For clients receiving SDA/MA the SSA's determination that disability or blindness does not exist for SSI **is final** and the SDA/MA case must be processed for closure if:

- The determination was made after January 1, 1990, **and**
- No further appeals may be made at SSA; see Exhibit II in BEM 260, **or**
- The client failed to file an appeal at any step within SSA's 60-day limit, **and**
- The client is **not** claiming:
  - A totally different disabling condition than the condition SSA based its determination on, or
  - An additional impairment(s), change, or deterioration in his/her condition that SSA has reviewed and not made a determination on yet.

**Note:** If the client alleges either condition listed above, obtain a new medical report and resubmit to the MRT for a new determination in accordance with BEM 260.

**13) School Attendance and Student Status**

*Reason:* The MRT follows the SSA rules.

**BEM 245****FIP Only****Dependent Children**

If a refugee or dependent child with equivalent immigration status has resettled in Michigan during a school year or a summer month; and the school will not allow enrollment for the dependent child until the start of the next school term/year, email the FIP-SDA-RCA policy mailbox for a policy exception per Policy Exception policy in BEM 100. See Refugees in BEM 630 for equivalent immigration status.

*Reason:* Clarification.

**14) MiCAP Targeted Population****BEM 618****FAP**

The client must receive SSI income only and no other income.

*Old Policy:* The client must receive the full amount of SSI income and no other income.

*Reason:* Align policy with the MiCAP demonstration waiver.

**15) EBT Cards****BAM 401E****FIP, SDA and FAP****EXCESSIVE CARD REPLACEMENT RULE**

Issuance of four or more Electronic Benefit Transfer (EBT) cards has been shown to be a potential indicator of fraud and abuse of Food Assistance Program (FAP) benefits. It may also be an indicator of the potential need for a referral to protective services in situations where benefits are suspected of being misused.

In the department's ongoing efforts to combat fraud and abuse, and to comply with new Food and Nutrition Services (FNS) policy, the following procedure will be implemented:

- Xerox will send a Card Withholding letter to all households when they are at their 4th replacement card within a 12 month period, notifying them that they have reached the number of issued cards threshold, and at their 5th card replacement request their card will not be issued until they have gone into the local office to speak directly to the district manager or county director.
- Upon the client's request for a 5th card, a second Card Withholding letter will be sent by Xerox notifying the client that they have exceeded the number of card requests allowed, and that they must contact their local office to schedule an appointment to speak directly to the district manager or county director in order to get another card. Xerox will inform clients calling to request replacements of this requirement.
- The district manager or county director will meet with the client in question and review their situation and explanation. Based on this contact, the county director or district manager will make appropriate referrals and issue a new EBT card under their authority. The situation, referrals, and approval shall be recorded on the authorization document. Copies of the authorization document shall be stored in the local office and the case record. Copies will also be forwarded the appropriate business service center (BSC) director.
- To meet FNS guidelines, EBT replacement cards must be available for pick up or placed in the mail within two business days following notice by the household to the State agency that the card has been lost or stolen. A copy of the authorization form may be used to locally issue an EBT card as appropriate.

## **16) Medical Transportation**

### **BAM 825**

#### **MA**

Specialists must review and evaluate the client's non-reimbursed transportation resources before authorizing transportation. The MSA-4674, Medical Transportation Statement, found at

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[http://www.michigan.gov/mdch/0,1607,7-132-2945\\_42542\\_42543\\_42546\\_42553-43782--,00.html](http://www.michigan.gov/mdch/0,1607,7-132-2945_42542_42543_42546_42553-43782--,00.html) must be returned in 90 days for payment by the department.

## 17) Miscellaneous

### **BEM 401, Trusts - MA**

The Office of Legal Services, Trust & Annuities Unit, is no longer accepting faxed evaluation requests for trusts or annuities.

*Reason:* Policy update.

### **BAM 110**

#### **All Programs**

#### **Request for Assistance**

The filing form is now found before the application rather than the last page of the information booklet in the DHS-1171 packet.

*Reason:* Food and Nutrition Service (FNS) audit finding.

### **Glossary**

#### **BAM 130, 402, 600, 815**

#### **BEM 260, 271**

The State Hearings Review Team (SHRT) definition and references removed.

*Reason:* SHRT is eliminated.

### **Glossary**

Administrative Hearings, Administrative Law Judge and Administrative Tribunal definitions have been updated to reference Michigan Administrative Hearings System (MAHS) within Licensing and Regulatory Affairs (LARA) instead of State Office of Administrative Hearing and Rules (SOAR) within Department of Labor and Economic Growth (DLEG).

*Reason:* Name changes.

**BAM 310**

Minor grammatical changes were made. References to prevention services were removed as prevention is done by Children's Services Administration.

**BAM 402****Benefit Monitoring Program**

The Beneficiary Monitoring Program is now the Benefit Monitoring Program.

*Reason:* Name change of program.

**BEM 101****MA DESK AID**

FIP-related categories have been removed. Information for the former FIP-related, now MAGI Medicaid is found in MAGI policy manual.

*Reason:* Compliance with Affordable Care Act (ACA) changes.

**BEM 100**

Minor grammatical updates were made throughout the item: "Division of Program Policy" was changed to "Field Operations Administration." Quality Control was changed to Office of Quality Assurance and Internal Control and email addresses were updated.

**BEM 405**

Update of the private nursing home costs for the divestment penalty calculation.

**BEM 657**

Added reference to the DCH-1426, Application for Health Coverage & Help Paying Costs. The income limit has increased to 195% FPL.

**EFFECTIVE**

July 1, 2014.

**Subject(s)****BAM 725, Collection Actions**

Policy has been reverted to reflect handling of claims regarding bankruptcy.

The coordinator scans the bankruptcy notice to the RSSECT mailbox or sends the document to WDU, WDU will notify DHS Legal Services and the RS so proper actions will be taken.

*Reason:* Policy correction.

**BEM 225, Citizenship/Alien Status**

The exceptions box from Exhibit II - Citizenship/Alien Status Table, was inadvertently removed and has been put back.

*Reason:* Policy correction.

**BEM 546, Post-Eligibility Patient-Pay Amounts**

The post eligibility patient pay Community Spouse shelter allowances have increased.

The shelter standard, basic allowance and total allowance have increased for the post-eligibility patient pay calculation.

*Reason:* Policy update.

**BAM 705, 715, 725 Recoupment**

Fraud and Recoupment Administration has moved to suite 710; the address has been updated in policy.

*Reason:* Policy update.

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**EFFECTIVE**

August 1, 2014.

**Subject(s)**

1. Income from Self Employment
2. CDC Verifications.
3. CDC Program Requirements.
4. CDC Payments.
5. Provider Disqualifications.
6. CDC Need Calculation.

**1) Income From  
Self-Employment****BEM 502**

Minor clarification.

**2) CDC  
Verifications****BEM 702**

A new DHS-4025, Child Development and Care Provider Verification, is required at:

- At application.
- When adding a child to an active CDC case.
- When there is a break in provider assignments.
- When a new provider is being assigned to a child.

**3) CDC Program  
Requirements****BEM 703**

Tutoring was added to study time policy for high school and approved activity need reasons.

*Reason:* Clarification.

Communication: Office of Workforce Development and Training.

**4) CDC Payments****BEM 706**

A person whose license or registration has been revoked by the DHS Bureau of Children and Adult Licensing or a person whose

license or registration is currently suspended has been added to the list of individuals who may not receive CDC subsidy payments.

Information regarding tiered reimbursement for licensed and registered providers who have achieved a Great Start to Quality rating of 3, 4, or 5 has been added.

The maximum number of hours that can be authorized per child is 90 hours in a biweekly period.

The total number of hours that providers can be paid in a biweekly pay period has increased for unlicensed providers and family and group homes. The cap for centers remains unlimited.

Child absence hours cannot be billed in order to hold a spot for a child has been removed to be consistent with the Child Development and Care Handbook.

*Reason:* Legislative funding/policy clarification.

Communication: Office of Workforce Development and Training.

## 5) Provider Disqualifications

### **BEM 707**

Modification was made to the Disqualification Process.

## 6) CDC Need Calculation

### **BEM 710**

Ten hours of travel time per pay period is to be included in each parent/substitute parent's need calculation.

The maximum valid need hours is increased to 90.

Entry of the authorized hours into Bridges for a two-parent household has been clarified.

*Reason:* Legislative funding.

Communication: Office of Workforce Development and Training.

**EFFECTIVE**

September 1, 2014.

**Subject(s)**

Children's Clothing Allowance

**FAMILY INDEPENDENCE PROGRAM (FIP)**

The 2014 Fiscal Appropriation Act included funding for the children's clothing allowance. The allowance is intended to assist FIP families to purchase school clothing for their children.

The children's clothing allowance for the 2014 fiscal year is \$127 per child and is excluded as income for all programs.

**ELIGIBILITY  
CRITERIA**

- The FIP eligibility determination group (EDG) must be active as child-only FIP EDG.
- All eligible children on the child-only FIP EDG will receive the clothing allowance. The eligible child must be eligible for FIP during September 2014. This includes children receiving SSI in the FIP EDG. Disqualified children will not receive the clothing allowance supplement.
  - Exception: Children disqualified for not having a social security number will receive the clothing allowance supplement.

**Definition**

A child-only FIP EDG is defined as an EDG in which there is not an eligible adult on the EDG. These could include the following:

- Ineligible grantees (grandparents, aunt or uncle that are not recipients on the FIP EDG).
- Parent(s) receiving SSI.
- Unrelated guardians who are court appointed.

- A FIP EDG in which an eligible adult is disqualified will not receive a clothing allowance supplement.

## PAYMENTS

Bridges will automatically issue supplements for the children's clothing allowance to FIP EDGs with qualifying children who are eligible for September FIP payments in Bridges as of the single deadline date of August 31, 2014. The children's clothing allowance supplement is deposited into the client's EBT cash account.

The supplement amount will include \$127 for each eligible child. The supplement will be automatically issued if the FIP EDG is active on August 31, 2014 for September benefits. A supplement will be deposited into the client's EBT cash account at the same time as the FIP payment is issued, but will appear as a separate payment. The supplement will be viewable in Bridges under Benefit Issuance and View Benefits.

Any request for new FIP EDG openings or member adds for September 2014 that are processed after the initial clothing allowance monthly payroll run for September will require an exception. Please contact Bridges Resource Center in order to request a supplement for the FIP EDG.

**Note:** Once the funding for the children's clothing allowance is depleted, there will be no additional funds allocated, regardless of the eligibility of the FIP EDG.

A letter from the Department of Human Services Director will be mailed to eligible clothing allowance supplemental households in August. This letter advises eligible families of the allowance coming in September to help with the cost of children's clothing.

For questions regarding this bulletin please contact the FIP policy mailbox: [PolicyFIP-SDA-RAP@michigan.gov](mailto:PolicyFIP-SDA-RAP@michigan.gov).

## LEGAL BASE

2014 Fiscal Appropriations Act

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**EFFECTIVE**

October 1, 2014.

**Subject(s)**

1. Child support warrants addressed to the local office.
2. Refugee Assistance Program (RAP).
3. Provider management.
4. Mandatory heat and utility standard.
5. Requests for extensions to collect verifications.
6. Case actions.
7. Medicaid (MA) miscellaneous updates.
8. Citizenship/Alien status updates.
9. Assignment, reassignment and transfer.
10. Rights and responsibilities.
11. Pursuit of benefits.
12. Intentional Program Violation (IPV) hearing.
13. Consolidated inquiry.
14. Family Independence Program (FIP) relationship verification.
15. Child Development and Care (CDC) need calculation.
16. Cash assets.
17. Hearings.
18. Direct Support Services (DSS) policy questions.
19. Real Property Assets.
20. Voter Registration Services.

**1) Child Support  
Warrants  
Addressed to the  
Local Office****BEM 255**

When the Local Office Liaison receives a child support warrant addressed to the client at the local office address, a DHS-2362, State Treasurer's Warrants, Rewrite/Disposition Request, will also be received. Determine if the warrant should be returned to the Michigan State Disbursement Unit (MiSDU), notify the Local Office Liaison or forward to the individual by completing the DHS-2362.

*Reason:* New form and process.

## 2) Refugee Assistance Program

### **BEM 630, BEM 216**

#### **RCA/RMA**

Refugee Medical Assistance group composition has been separated from other MA requirements. Minor grammatical and format changes have also been made.

*Reason:* Policy Clarification.

## 3) Provider Management

### **BAM 435**

The Home Heating Hotline has been removed and replaced with the DHS Customer Services hotline for LIHEAP providers.

*Reason:* New information.

## 4) Mandatory Heat and Utility Standard

### **BEM 554**

#### **Heating Separate from Housing Costs**

Exception: Verify the heat obligation only if questionable for groups that have verified that they own or are purchasing the home they occupy.

#### **Heat included in Rent or Fees**

Clients do not need to have heat included in their rent or fees to be eligible for the heat and utility (h/u) standard when they receive a home heating credit or LIHEAP payment. The home heating credit and LIHEAP payments are now in separate sections.

#### **Electricity Included in Rent or Fees**

Food Assistance Program (FAP) groups whose electricity is included in their rent or fees are not eligible for the h/u standard unless their landlord bills them separately for excess cooling.

Also minor wording changes were incorporated in this section.

**5) Verification  
Extensions**

*Reason:* Policy clarification.

**BAM 130****Medicaid**

The number of routine extensions given for verification of needed information is reduced from three to two with additional extensions given with supervisor review and approval. The department must make every effort to assist the applicant in obtaining the verifications.

**6) All Other  
Reported changes**

*Reason:* Section 1207 of PA 200 of 2012.

**BAM 220****FAP Only**

If verification is required or deemed necessary, allow the household 10 days from the date the change is reported to provide the verification. The change must still affect the correct issuance month. For example, the first benefit month occurring 10 days after the date the change was reported.

**7) Miscellaneous  
MA updates**

*Reason:* Policy clarification.

**BAM 402, 805, BEM 105, 158, 164, 265, 400**

Two new counties have been added to the Dental program, Kalamazoo and Macomb. The other items have minor clarifications, updated language, and minor changes to formatting throughout.

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**8) Citizenship/  
Alien Status  
updates****BEM 225****All Programs**

Coding clarifications have been added for Cuban/Haitian Entrants, Special Immigrant Visa holders, and Victims of Trafficking.

*Reason:* Policy clarification.

**9) Assignment,  
Reassignment and  
Transfer****BAM 305****All Programs**

The policies regarding assigning, reassigning and transferring cases have been updated with Bridges terminology, processes, electronic data management and documents.

Remove references to Automated Social Services Information and Support System (ASSIST) and Customer Information Management System (CIMS).

*Reason:* Policy update for Bridges.

**10) Rights and  
Responsibilities****BAM 105****Right to Nondiscrimination****All Programs**

The Office of Human Resources is now responsible for all agency equal opportunity and diversity efforts.

**Discrimination Complaints****FIP, FAP**

Discrimination complaint section is updated with the latest nondiscrimination statement and complaint contact information.

*Reason:* Policy update.

### **Right to Apply**

#### **SDA, MA Only**

Individuals applying for disability-related MA and/or SDA who have previously been denied by the Medical Review Team (MRT), must have a new or worsening condition to be referred back to MRT when they submit a subsequent application for these programs; see BAM 815, Medical Determination and Obtaining Medical Evidence.

*Reason:* MRT/DHS process improvement.

## **11) Pursuit of Benefits**

### **BEM 270**

#### **Pursuit of Benefits**

##### **FIP, SDA, Medicaid**

As a condition of eligibility for benefits, individuals must apply for any state and/or federal benefits for which they may be eligible.

*Reason:* Policy clarification.

##### **SDA, MA Only**

Individuals applying for disability-related MA and/or SDA, verification must be obtained from Social Security Administration (SSA) that an application is on file before the case is referred to the Medical Review Team (MRT).

*Reason:* MRT/DHS process improvement.

## **12) IPV Hearing Threshold**

### **BAM 720**

#### **Intentional Program Violation**

##### **All Programs**

The IPV Hearing threshold was lowered from \$1,000 to \$500.

*Reason:* FNS review and policy alignment.

**13) Consolidated Inquiry****BAM 300**

Consolidated inquiry verification must be in the case record to support program eligibility.

*Reason:* Policy update.

**14) FIP Relationship Verification****BEM 210**

Relationship must be verified for each dependent child on the FIP EDG. Verification must establish the relationship of each dependent child to the child's legal parent, step-parent or other qualifying caretaker.

*Reason:* TANF single audit.

**BAM 130**

For FIP only, relationship must be verified.

*Reason:* TANF single audit

**15) CDC Need Calculation****BEM 710**

A correction was made to the example on page 1.

**16) Cash/Investment****BEM 400****FIP, SDA, G2U, G2C, RMA, SSI-Related MA Only, and FAP**

The cash value of investment instruments, such as stocks, bonds and mutual funds, is defined as a cash asset. To determine the cash value, use the Investment section in BEM 400.

*Reason:* Policy clarification.

## 17) Hearings

### **BAM 600**

#### **All Programs**

##### **When the AHR is an Attorney**

Within 24 hours of the department receiving notice that a client will be represented by an attorney, a DHS-1216P, Request for Attorney General Representation, **must be** completed.

##### **Local Office Time Limits**

The local office must contact partners within 24 hours of receiving the DHS-18, Request for Hearing.

Schedule a meaningful in-person prehearing conference with a first-line supervisor not later than the 11th calendar day from the receipt of the request for hearing.

Minor wording changes were incorporated throughout the item.

Any paperwork that needs to be sent to MAHS should be sent through fax, id mail or US postal mail.

*Reason:* Policy Clarifications.

## 18) DSS Policy Questions

### **BEM 100 and 232**

Effective 10/1/14, the DSS policy mailbox will be merged into the Employment and Training policy mailbox. All DSS inquiries will need to be directed to [policy-employment@michigan.gov](mailto:policy-employment@michigan.gov).

*Reason:* Policy simplification.

## 19) Real Property Assets

### **BEM 400**

#### **FIP, RCA and SDA Only**

The asset limit for real property assets has decreased to \$200,000.

*Reason:* 2015 Fiscal Appropriations Act

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**20) Voter  
Registration  
Services****BAM 125****ALL PROGRAMS**

Public Act 523 of 2012 requires individuals to present photo identification when registering to vote in person. If an individual does not possess photo identification, he/she is permitted to sign an affidavit form to this effect.

Acceptable photo identification documents include:

- Michigan driver's license or Michigan personal identification card (current or expired).
- Current driver's license or personal identification card issued by another state.
- Current federal or state government-issued photo identification.
- Current U.S. passport.
- Current student identification with photo – from a high school or an accredited institution of higher education.
- Current military identification card with photo.
- Current tribal identification card with photo.

Voter registration applicants that do not possess one of the above-listed photo ID documents may sign the DHS-1185, Affidavit of Voter not in Possession of Picture Identification Form. This form is available in the DHS Forms Library.

The DHS-1185 should be stapled to the voter registration form (NSP-938B or NSP-938B-SP) and sent to the local clerk using standard local office procedures.

*Reason:* Public Act 523 of 2012.

**COMMUNICATION  
PLAN:**

Office of Workforce Development and Training job aids.

**EFFECTIVE**

October 1, 2014.

**Subject(s)**

Electronic Disqualified Recipient System (eDRS) Match.

***BAM 812******FAP Only***

The Michigan Department of Human Services (DHS) is required to match all Food Assistance Program (FAP) recipients and applicants with the federal eDRS at application and when a member is added to an existing case. The match assists in the identification of potential recipients that may have an intentional program violation (IPV) in another state.

A positive match must be verified with the reporting state before the IPV can be imposed. If there is a match with the client, the specialist must send an email to the recoupment specialist (RS) to verify the IPV with the reported state. The FAP application or member add cannot be certified until the IPV is verified by the RS.

If there is a match on an expedited FAP application, the case can be certified without waiting for the decision from the RS. The specialist must still make an IPV request to the RS.

*Reason:* Compliance with federal regulations.

*Communication Plan:* Office of Workforce Development and Training

**EFFECTIVE**

October 1, 2014.

**Subject(s)**

Electronic Disqualified Recipient System (eDRS) Match.

***BAM 812******FAP Only***

The process for the Michigan Department of Human Services (DHS) to match all Food Assistance Program (FAP) recipients and applicants with the federal eDRS at application and when a member is added to an existing case will not be implemented until November 1, 2014. A new bulletin will be issued with eDRS information on October 1, 2014.

*Reason:* To coordinate with Bridges update.

**EFFECTIVE**

November 1, 2014.

**Subject(s)**

Electronic Disqualified Recipient System (eDRS) Match.

***BAM 812******FAP Only***

The Michigan Department of Human Services (DHS) is required to match all Food Assistance Program (FAP) recipients and applicants with the federal eDRS at application and when a member is added to an existing case. The match assists in the identification of potential recipients that may have an intentional program violation (IPV) in another state.

A positive match must be verified with the reporting state before the IPV can be imposed. If there is a match with the client, the specialist must send an email to the recoupment specialist (RS) to verify the IPV with the reported state. The FAP application or member add cannot be certified until the IPV is verified by the RS.

***Exception:*** If there is a match on an expedited FAP application, the case can be certified without waiting for the decision from the RS. The specialist must still make an IPV request to the RS.

***Reason:*** Compliance with federal regulations.

***Communication Plan:*** Office of Workforce Development and Training

**EFFECTIVE**

November 1, 2014.

**Subject(s)**

Electronic Disqualified Recipient System (eDRS) Match.

***BAM 812***

***FAP Only***

The process for the Michigan Department of Human Services (DHS) to match all Food Assistance Program (FAP) recipients and applicants with the federal eDRS at application and when a member is added to an existing case has been postponed indefinitely.

*Reason:* Federal system issues.

**EFFECTIVE**

November 1, 2014.

**Subject(s)**

**Child Development and Care (CDC)**

**BEM 703**

**FIP/EFIP Related**

Employment, High School Completion and Family Preservation are now allowable CDC need reasons for FIP applicant groups.

*Reason:* Bridges release.

*Communication Plan:* Office of Workforce and Development Training.

**BEM 710**

**Determining Need**

Wording for determining need for travel time has been changed.

*Reason:* Policy clarification.

Communication: None

**EFFECTIVE**

August 1, 2014.

**Subject(s)**

**Categorical Eligibility**

Categorical eligibility requirements are being removed from State Emergency Relief (SER) policy. Staff must now verify required payment history when determining eligibility for energy-related services. SER groups will no longer be determined categorically eligible.

*Reason:* Policy change.

**EFFECTIVE**

August 1, 2014.

**Subject(s)****Asset Verification**

For applications with no other active or pending program, use only the automated Asset Verification Service (AVS) to verify assets. Upon registration of an application, Bridges will interface with AVS. Verifications provided by the client are not to be used in the eligibility determination when a response has been provided by AVS. If there has been no response from the AVS vendor after three days from the date of registration, process the application using asset information provided by client on the application.

**Note:** All adults in SER group must sign the application before it can be registered if there are no other active or pending programs. The application date is the date all adults sign. An SER application cannot be registered until the department has obtained the signatures for all group members ages 18 and older. Until all adults sign, the application is incomplete.

**EFFECTIVE**

August 1, 2014.

**Subject(s)****Asset Verification**

For applications with no other active or pending program, the policy to use the automated Asset Verification Service (AVS) to verify assets in pilot counties has been rescinded.

Upon registration of an application, Bridges will **not** interface with AVS at this time. Verifications provided by the client may be used in the eligibility determination; follow policy in the [State Emergency Relief Manual \(ERM\) 205, Assets](#).

**EFFECTIVE**

October 1, 2014.

**Subject(s)**

**ERM 208, Budget Procedures**

**LIHEAP income limit for energy-related services**

ENERGY/LIHEAP SERVICES Effective 10/01/2014	
Family Size	150% Federal Poverty Level/Month
1	\$1458
2	\$1966
3	\$2473
4	\$2981
5	\$3488
6	\$3996
7	\$4503
8	\$5011
For each additional family member add \$507 per month.	

**ERM 301, Energy Services**

Do not authorize an energy-related SER payment for a household when the head of household, or another adult group member, has already been assisted by a participating Michigan Energy Assistance Program (MEAP) grantee within the current fiscal year.

Deny a request for energy services if the Home Energy Solutions (HES) database indicates that the head of household or other adult group member has received, or is currently receiving, assistance from a MEAP provider for the current fiscal year. The DHS 1419 must refer the client back to the assisting MEAP grantee.

Information regarding MEAP and MEAP grantees can be found at, <http://michigan.gov/mpsc/0,4639,7-159-52493---,00.html>

*Reason:* Policy update.

*Communication Plan:* PowerPoint presentation.

**EFFECTIVE**

February 1, 2014.

**SUBJECTS**

1. Children's Foster Care Manual reorganization.
2. FOM 722-3, Placement Selection and Standards.
3. FOM 722-3A, Absent Without Legal Permission (AWOLP).
4. FOM 722-3B, Relative Engagement and Placement.
5. FOM 722-3C, Older Youth: Preparation, Placement, And Discharge.
6. FOM 722-6, Case Planning.
7. FOM 722-6B, Family Team Meeting.
8. FOM 722-6F, Special Accommodations.
9. FOM 722-6G, Efforts to Identify and Locate Absent/Putative Parent(s).
10. FOM 722-6H, Caseworker Contacts.
11. FOM 722-6I, Maintaining Connections Through Visitation and Contact.
12. FOM 722-7, Permanency Planning - Overview.
13. FOM 722-7A, Permanency Planning - Concurrent Permanency Planning.
14. FOM 722-7B, Permanency Planning - Reunification.
15. FOM 722-7C, Permanency Planning - Termination of Parental Rights.
16. FOM 722-7D, Permanency Planning - Adoption.
17. FOM 722-7E, Permanency Planning - Guardianship.
18. FOM 722-7F, Permanency Planning - PPFWR/APPLA/APPLA-E.
19. FOM 722-10, Court Review.

- 20. FOM 722-11, Delegation of Parental Consent.
- 21. FOM 722-15, Case Closing.
- 22. FOM 723, Educational Services.
- 23. FOM 802-2, DHS Contracted Counseling and Therapy Services.
- 24. FOM 970, MWA! Referral.

**1) FOSTER CARE  
MANUAL  
REORGANIZATION**

The Children’s Foster Care Manual has been reorganized and updated. The manual items have been broken down into shorter, more user friendly sections. These changes will streamline future policy releases when the Michigan Statewide Automated Child Welfare Information System (MiSACWIS) is implemented.

*Reason:* Foster Care Program Office recommendation.

**2) FOM 722-3,  
PLACEMENT  
SELECTION AND  
STANDARDS**

This item has been renamed; previously this was FOM 722-3, Foster Care - Placement/Replacement.

The following sections have been removed and were given their own manual items:

- Placement with relatives.
- Relative licensing waivers.
- Considerations in placement with older teenagers.
- Placement in adult foster care for youth ages 16-17.
- Placement in adult foster care facilities before age 16.
- AWOLP - Children Absent Without Legal Permission Placement.
- Placement of Children with Serious Communicable Diseases, was removed and can be found in SRM 131, Confidentiality.

**New policy in this item includes:**

- Health and age of the prospective caregiver.

*Reason:* Foster Care Program Office recommendation.

- Placement of infants and young children.

*Reason:* Michigan Department of Human Services and Michigan Association for Infant Mental Health recommendation.

- Placement of a child identified with high risk behaviors.

*Reason:* Dwayne B. v Snyder, et al. settlement agreement.

- Placement with a caregiver who has an undocumented legal status is prohibited.

*Reason:* Foster Care Program Office recommendation.

- Policy from FOB 2012-011, Interim Policy Bulletin: Modified Settlement Agreement was added to this item.

**3) FOM 722-3A,  
ABSENT WITHOUT  
LEGAL PERMISSION  
(AWOLP)**

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 722-3A, Absent Without Legal Permission (AWOLP). This item outlines policy and procedure for when a youth is absent without legal permission.

*Reason:* Foster Care Program Office recommendation.

**4) FOM 722-3B,  
RELATIVE  
ENGAGEMENT AND  
PLACEMENT**

Policy was moved from FOM 722-3, Placement/Replacement, and FOM 722-6, Developing the Service Plan, to FOM 722-3B, Relative Engagement and Placement. This item includes:

- Relative search and notification process.
- Placement with relatives.
- DHS-3130A, Initial Relative Placement Home Study.
- Foster home licensing requirements for relative caregivers.
- Relative licensing waivers.
- Policy from FOB 2012-011, Interim Policy Bulletin: Modified Settlement Agreement.

**5) FOM 722-3C,  
OLDER YOUTH:  
PREPARATION,  
PLACEMENT, AND  
DISCHARGE**

*Reason:* Foster Care Program Office recommendation.

Policy was moved from FOM 722-3, Placement/Replacement, FOM 722-6, Developing the Service Plan, and FOM 722-15, Case Closing, to FOM 722-3C, Older Youth: Preparation, Placement, and Discharge. This item includes:

- Independent living preparation.
- Independent living placement.
- Placement of a MCI ward with a parent.
- Placement in an adult care facility.
- Services to youth age 18 and older.
- Older youth exiting the foster care system.

*Reason:* Foster Care Program Office recommendation.

**6) FOM 722-6, CASE  
PLANNING**

This item has been renamed, previously, this item was FOM 722-6, Foster Care - Developing the Service Plan.

The following sections have been removed and were reinstated in their own manual items:

- Relative notification.
- Visitation.
- Parenting time.
- Grandparenting time.
- Efforts to identify and locate absent/putative parent(s).
- DHS contracted counseling/therapy services.
- Independent living preparation.
- Accommodations for deaf or hard of hearing.
- Educational services for foster care.

**New policy in this item includes:**

- Reasonable efforts are not required when a parent is required by court order to register under the Sex Offenders Registration Act.

*Reason:* Probate Code, 1939 PA 288, as amended, MCL 712A.13a.

- Caseworkers must complete a genogram on each family, as part of the initial case service plan.

*Reason:* Foster Care Program Office recommendation.

**7) FOM 722-6B,  
FAMILY TEAM  
MEETING**

Policy was updated to clarify that the initial pre-meeting conference must be held in person; Tribal representatives, for Indian children must be invited to all FTMs; and links to the Administrative Handbook were updated with the new location for that information.

*Reason:* Foster Care Program Office recommendation.

**8) FOM 722-6F,  
SPECIAL  
ACCOMMODATIONS**

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 722-6F, Special Accommodations. Links to the Administrative Handbook were updated because the Administrative Handbook is obsolete.

*Reason:* Foster Care Program Office recommendation.

**9) FOM 722-6G,  
EFFORTS TO  
IDENTIFY AND  
LOCATE ABSENT/  
PUTATIVE  
PARENT(S)**

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 722-6G, Efforts to Identify and Locate Absent/Putative Parent(s). This item includes information on how to locate and identify absent and putative parents.

*Reason:* Foster Care Program Office recommendation.

**10) FOM 722-6H,  
CASEWORKER  
CONTACTS**

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 722-6H, Caseworker Contacts. The requirements from FOB 2012-011, Interim Policy Bulletin: Modified Settlement Agreement were added to this item. This item includes information on required caseworker contacts with children, caregivers, parents, treatment and service providers, and supervisors.

**11) FOM 722-6I,  
MAINTAINING  
CONNECTIONS  
THROUGH  
VISITATION AND  
CONTACT**

*Reason:* Foster Care Program Office recommendation.

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 722-6I, Maintaining Connections Through Visitation and Contact. The requirements from FOB 2012-011, Interim Policy Bulletin: Modified Settlement Agreement were added to the manual. This item includes information on parenting time requirements, sibling visitation and ongoing interaction, and grandparenting time.

*Reason:* Foster Care Program Office recommendation.

**12) FOM 722-7,  
PERMANENCY  
PLANNING -  
OVERVIEW**

This item has been renamed; previously this was FOM 722-7, Permanency Planning.

The following sections have been removed and were reinstated in their own manual items:

- Foster care/adoption.
- Guardianship.
- Other permanency goals.
- Permanent Placement with a Fit and Willing Relative.
- Permanency goal review process.
- Termination of parental rights.

**13) FOM 722-7A,  
PERMANENCY  
PLANNING -  
CONCURRENT  
PERMANENCY  
PLANNING**

This is a new manual item that describes concurrent permanency planning components, full disclosure, Plan A and Plan B, front loading services, and concurrent permanency planning and American Indian/Alaska Native children.

*Reason:* Concurrent Permanency Planning, L-Letter 08-168 (12/12/2008) and the Dwayne B. v Snyder, et al. settlement agreement.

**14) FOM 722-7B,  
PERMANENCY  
PLANNING -  
REUNIFICATION**

Policy was moved from FOM 722-7, Permanency Planning, to FOM 722-7B, Permanency Planning - Reunification. This item includes information on the permanency goal of reunification.

*Reason:* Foster Care Program Office recommendation.

**15) FOM 722-7C,  
PERMANENCY  
PLANNING -  
TERMINATION OF  
PARENTAL RIGHTS**

Policy was moved from FOM 722-7, Permanency Planning, to FOM 722-7C, Permanency Planning - Termination of Parental Rights. This item includes information on termination of parental rights.

*Reason:* Foster Care Program Office recommendation.

**16) FOM 722-7D,  
PERMANENCY  
PLANNING -  
ADOPTION**

Policy was moved from FOM 722-7, Permanency Planning, to FOM 722-7D, Permanency Planning - Adoption. This item includes information on the permanency goal of adoption.

*Reason:* Foster Care Program Office recommendation.

**17) FOM 722-7E,  
PERMANENCY  
PLANNING -  
GUARDIANSHIP**

Policy was moved from FOM 722-7, Permanency Planning, to FOM 722-7E, Permanency Planning - Guardianship. This item includes information on the permanency goal of guardianship.

*Reason:* Foster Care Program Office recommendation.

**18) FOM 722-7F,  
PERMANENCY  
PLANNING - PPFWR/  
APPLA/APPLA-E**

Policy was moved from FOM 722-7, Permanency Planning, to FOM 722-7F, Permanency Planning - PPFWR/APPLA/APPLA-E. This item includes information on the permanency goals, Permanent Placement with a Fit and Willing Relative (PPFWR) and Another Planned Permanent Living Arrangement (APPLA or APPLA-E).

*Reason:* Foster Care Program Office recommendation.

**19) FOM 722-10,  
COURT REVIEW**

The time frame for filing a termination petition was amended. If the court orders the department/agency to file a petition to terminate parental rights, the petition must be filed with the court no later than 28 days from the permanency planning or review hearing.

*Reason:* The Dwayne B. v Granholm, et al. consent decree invoked a 14-day time frame for filing a termination petition. The Dwayne B. v Snyder, et al. settlement agreement eliminated the 14-day time frame and reverted it back to the 28-day requirement.

**20) FOM 722-11,  
DELEGATION OF  
PARENTAL  
CONSENT**

Policy regarding surrogate parent for educational purposes was deleted from this item and moved to FOM 723, Education.

Foster Care Program Office recommendation.

**21) FOM 722-15,  
CASE CLOSING**

The following sections have been moved from FOM 722-15, Case Closing to FOM 722-3C, Older Youth: Preparation, Placement, And Discharge.

- Older Youth Exiting the Foster Care System
- Housing Resource Referral.
- Restoration of Custody to Parent.
- Discharge Criteria for State Wards.

The following sections have been moved from FOM 722-15, Case Closing to FOM 722-6B, Family Team Meeting.

- Semi-Annual Transition Meeting.
- 90-Day Discharge Planning.

No new information was added to this manual item.

*Reason:* Foster Care Program Office recommendation.

**22) FOM 723,  
EDUCATIONAL  
SERVICES**

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 723, Educational Services. This item includes information on education services for foster children.

**New policy in this item includes:**

- Caseworkers are now able to access a child’s education records from the school, for purposes of case planning, without the prior written consent of the parents or court order.

*Reason:* The Uninterrupted Scholars Act, Public Law 112-278.

- Online education programs may be considered for a youth 16 and older if it is in the youth’s best interest.

*Reason:* Foster Care Program Office recommendation.

**23) FOM 802-2, DHS  
CONTRACTED  
COUNSELING/  
THERAPY SERVICES**

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 802-2, DHS Contracted Counseling/Therapy Services. This item includes information on contracted counseling and therapy services.

*Reason:* Foster Care Program Office recommendation.

**24) FOM 970, MWA!  
REFERRAL**

Policy was moved from FOM 722-6, Developing the Service Plan, to FOM 970, MWA! Referral. This item includes information on the referral process for Michigan Works! Agencies (MWA).

*Reason:* Foster Care Program Office recommendation.

**EFFECTIVE**

February 1, 2014.

**Subject(s)**

The software we use to write policy manuals is changing. We are converting manuals one at time from our old system which was Adobe FrameMaker to our new Microsoft system. Historical policy will be viewable as a PDF file for internal DHS users.

As manuals are converted they will be listed on the Policy News & Tips page for internal DHS users. Unless the bulletin states otherwise, no policy content will be changed although the policy effective date will change due to conversion.

The Children's Foster Care manuals have been converted and will have a February 1, 2014 effective date. No policy content has been changed.

Tips for using the new manual software for internal DHS users are located on the Policy News & Tips page.

*Reason:* Policy software update.

**EFFECTIVE**

March 1, 2014.

**Subject(s)**

**FOM 905-3, Foster Care Rates**

The adoption subsidy rates have been removed from foster care policy. See AAM 210, Adoption Support Subsidy Rate Determination, for this information.

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**EFFECTIVE**

May 1, 2014.

**Subject**

Funding and payment item updates for MiSACWIS.

**Funding and  
Payment Updates****MiSACWIS Updates**

The following policies have been updated to provide clarification and reflect updates needed to align with MiSACWIS.

- **FOM 901-6, Legal Status.**
- **FOM 901-7, Living Arrangements.** What was previously referred to as living arrangements is now a service type with a more specific living arrangement to detail the child's placement. Treatment foster care will no longer be added as a DOC IV, but is now entered into MiSACWIS as a placement type.
- **FOM 901-8, Fund Sources.**
- **FOM 901-9, Payment Source Guide.**
- **FOM 902, Funding Determinations and Title IV-E Eligibility.** Human trafficking victim is added to the list of qualified alien statuses. The living with a specified relative section is updated to clarify the eligible relatives. A household member is not included in the group size and does not have their income and assets counted if he/she is receiving SSI payments. Gross income must be entered into the funding determination, not the net income. Only the written transcript can be used to support the court order.
- **FOM 902-05, Title IV-E Funding Denial or Cancellation.**
- **FOM 902-10, SSI Benefits Application and Determination.** The DHS-3205, Foster Care/Juvenile Justice Ward Benefit Eligibility Record, will not be printed from MiSACWIS. The form can be accessed on the DHSNet Forms page.
- **FOM 902-12, Government Benefits.**

- **FOM 902-13, Court Ordered Support and Reimbursement.**
- **FOM 902-14, Local Receipt of Benefit/Warrants.**
- **FOM 902-15, Receipt of Funds in Excess of Department Payments.**
- **FOM 902-16, Social Security Numbers.** Social Security numbers must be verified in MiSACWIS.
- **FOM 902-17, County participation in Cost of Out-of-Home Placements.** This item has been deleted. The details of the chargeback system are now in FOM 902-19, Chargeback System.
- **FOM 902-18, Per Diem Cost for State Ward Expenditures.**
- **FOM 902-19, Chargeback System.**
- **FOM 902-20, Payment Reconciliation.** This policy item has been deleted. The chargeback information was moved into FOM 902-19.
- **FOM 902-21, Young Adult Voluntary Foster Care (YAVFC) Funding and Payments.** All YAVFC funding determinations and payments will be completed in the local DHS office in MiSACWIS.
- **FOM 902-21A, Young Adult Voluntary Foster Care (YAVFC) Fair Hearing Process.** The fair hearing process will continue to be handled by the Young Adult Extension Unit.
- **FOM 903-01, Introduction to Paid Service Authorizations.**
- **FOM 903-02, Payment for Detention Care.** If a youth remains in detention for more than 30 calendar days, approval must be obtained using the DHS-2012, Detention/Jail Placement Exception Request. Invoices without the approved DHS-2012 will not be processed.
- **FOM 903-03, Payment for Foster Family Care.** The Determination of Care (DOC) approvals must be completed in MiSACWIS. The Administrative Review Process has been updated to ensure that the foster parents are given the right to an administrative review even if the placement agency foster care (PAFC) provider agrees with DHS's decision.

- **FOM 903-04, Purchased Care Payment Procedures.**
- **FOM 903-07, Temporary Breaks.** There are several updates to this policy item, formerly called Temporary Placement Interruptions, to align with MiSACWIS.
- **FOM 903-08, Payments Requiring Special Processing.**
- **FOM 903-09, Case Service Payments.** A non-scheduled payment is now called a case service payment request. A board and care payment is now called a placement service payment request. The DHS-659, Foster Care Payment Authorization, can be used to support both case service and placement service authorizations and is able to be printed from MiSACWIS. This form is also intended to be used when processing county child care funded (CCF) payment requests.
- **FOM 903-10, Funeral Payments.**
- **FOM 903-13, Children's Benefit Fund.** No funds are currently available for the Children's Benefit Fund. If funds are available again a notice will be sent.
- **FOM 903-14, Payment Systems Procedures.**
- **FOM 903-17, Support Services to Families.** Families First of Michigan Program (FFM) is available to families with children in out-of-home care due to abuse, neglect or delinquency.
- **FOM 905-3, Foster Care Rates.**
- **FOM 910, Obtaining Vital Records.** Michigan birth certificates will not be available from MiSACWIS. The MiSACWIS User Guide will detail how to obtain Michigan birth certificates.

*Reason:* Federal Compliance Division clarifications and MiSACWIS updates.

*Communication Plan:* MiSACWIS User Guide.

**EFFECTIVE**

May 1, 2014.

**Subject(s)****FOM 801, Health Services for Foster Children.**

FOM 801 is revised to include:

- Clarification of medical and dental exam requirements:
  - For children and youth in the following living arrangements:
    - Out-of-home.
    - Own home.
    - Adoptive home or guardianship.
  - For youth aged 18 years and older including:
    - Young adult voluntary foster care (YAVFC) youth.
    - Youth refusal to participate in required medical and dental exams requires documentation of process on DHS-1147, Foster Care Youth Health Services Refusal form.
- Caseworker role in assessment and documentation of child's current health status. This includes the engagement of birth parents or guardians in the child's health care.
- Updated listing of forms and other approved alternatives necessary for documentation for initial, periodic and yearly medical exams.
- Caseworker contact with health care provider's policy changed from monthly contact to contacts as recommended by the health care provider.
- Clarification of medical passport requirements including:
  - Time frame for medical passport health updates.
  - Health information documentation.
  - Signature documentation.

*Reason:* Child Welfare Medical Unit and DHS Health Committee recommendations.

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Communication Plan: Revised policy will be communicated to the field through Child Welfare Field Operations Administration monthly DHS and PAFC supervisory phone conference and Child Welfare Medical Unit phone conference with Health Liaison Officers.

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**EFFECTIVE**

September 1, 2014.

**Subject(s)**

1. Diligent search and notification process.
2. Initial relative safety screen.
3. Central registry check.
4. Relative licensing waivers.

**1) Diligent Search and Notification Process**

***FOM 722-3B, Relative Engagement and Placement.***

The diligent search and notification process was updated to include added requirements for all assigned caseworkers to follow, including Children's Protective Service (CPS) caseworkers.

*Reason:* Office of Child Welfare Policy and Procedure's recommendation.

**2) Initial Relative Safety Screen**

***FOM 722-3B, Relative Engagement and Placement.***

The identity of an unlicensed relative caregiver must be verified prior to placement.

*Reason:* Children's Legal Services' recommendation.

**3) Central Registry Check**

***FOM 722-3B, Relative Engagement and Placement.***

The conditions which must be met for an initial placement (by CPS) with an unlicensed relative are more stringent than for subsequent placements, because initial placements may be made based on the results of the DHS-588, Initial Relative Safety Screen. Therefore, initial placement is prohibited when an adult household member is listed as a perpetrator on central registry. However, when the foster care caseworker is assessing a relative for a subsequent placement, central registry results do not immediately disqualify the relative. A DHS-3130A, Relative Placement Home Study, must be completed to thoroughly assess the safety of the placement.

**4) Relative  
Licensing Waivers**

*Reason:* Office of Child Welfare Policy and Procedure's recommendation.

***FOM 722-3B, Relative Engagement and Placement.***

Relative licensing waivers may only be requested under the following circumstances:

- The relative refused licensure.
- The child is an American Indian/Alaskan Native, as defined by the Indian Child Welfare Act.

*Reason:* Dwayne B. v Snyder, et al. settlement agreement.

**EFFECTIVE**

February 1, 2014.

**SUBJECT**

1. Guardianship clarifications.
2. Additional section added.
3. Clarified certification process and Purchase of Services (POS) Monitoring role.
4. Clarified documentation requirements.
5. Address change.

**1) Guardianship clarifications****GDM 600, Juvenile Guardianship**

When the child is a temporary or permanent court ward and the prospective guardian is not requesting juvenile guardianship assistance per the DHS-2051, Caregiver's Permanency Planning Checklist, the worker is not required to receive DHS subsidy office approval prior to the court appointing a juvenile guardian. When the child is a Michigan Children's Institute (MCI) ward, the worker must request consent from the Michigan Children's Institute (MCI) Superintendent on all MCI cases, including those where juvenile guardianship assistance is not being requested by the prospective guardian or the prospective guardian is not eligible for juvenile guardianship assistance.

For temporary court ward cases, where the prospective guardian is requesting juvenile guardianship assistance, the worker must complete the DHS-591, Juvenile Guardianship Best Interest Determination for Temporary Court Wards form. The DHS-591 must be submitted to the DHS subsidy office along with the DHS-2051, Caregiver's Permanency Planning Checklist, and to the court holding jurisdiction over the child's abuse/neglect case.

When the case worker determines that it is not in the child's best interest to be placed in a juvenile guardianship, the case worker must attempt to state his/her determination on the record during a court hearing. This includes when it's not in the child's best interest because the more preferred permanency goals (reunification or adoption) have not been adequately ruled out.

A guardianship assistance agreement must be signed by both the prospective guardian(s) and the DHS designee prior to the court's

appointment of the guardian and is effective on the date of the guardian's appointment by the court.

If the guardianship assistance agreement is not signed by all parties before the date of the court's appointment of the guardian, the child will not be eligible for juvenile guardianship assistance.

The MCI office must review the information provided by the supervising agency and the prospective guardian. The MCI office may request additional information from the supervising agency. Consultation with the L-GAL for the child and other professionals may also occur. The MCI office may consult with the DHS Office of Family Advocate. The MCI Superintendent must issue a written decision containing a brief description of the factors considered and whether the MCI Superintendent consents to the juvenile guardianship.

The assigned worker must submit the following documentation to the court when requesting juvenile guardianship:

- A copy of the DHS-2052, Caseworker's Permanency Planning Checklist.
- A copy of the DHS-2051, Caregiver's Permanency Planning Checklist.
- A copy of the BCAL-3130, Initial Foster Home/Adoption Evaluation or DHS-616, Juvenile Guardianship Home Study (Not Requesting Guardianship Assistance). Criminal background checks and Central Registry clearances must be completed for all adult members of the prospective guardian's household. Due to confidentiality issues, LEIN information and documents must not be shared via phone, fax or electronic mail (e-mail), see FOM 722-06A.
- Any addenda to the above assessments if the original assessment is more than one year old.
- Any special evaluations/licensing complaints for the prospective guardian(s).
- Fingerprint clearance for the prospective guardian(s).

The court may request additional documents.

When the court grants approval to change the goal to juvenile guardianship and the prospective guardian(s) are requesting juvenile guardianship assistance, the following documentation must be

submitted to the DHS subsidy office, along with the application for juvenile guardianship assistance.

When the court approves the juvenile guardianship, an Order Appointing Guardian will be entered. If the court denies the guardianship, a Family Team Meeting (FTM) with all involved parties must be scheduled to determine an appropriate permanency goal for the child.

*Reason:* Policy clarification.

## 2) Additional section added

### **GDM 701, Forms and Publications**

This section was added as a reference for documentation requirements when applying for juvenile guardianship assistance.

## 3) Clarified certification process and POS monitoring role

### **GDM 715, Juvenile Guardianship Assistance Eligibility**

Removed that the DHS-3310, Juvenile Guardianship Assistance Application will be reviewed and approved by the local DHS office with case monitoring responsibility. Clarification was added to identify the certification process for temporary court wards, permanent court wards and MCI wards.

*Reason:* Dwayne B. V. Snyder, et al. settlement agreement and program office recommendation.

## 4) Clarified documentation requirements

### **GDM 720, Juvenile Guardianship Assistance Rate Determination**

Documentation requirements for Determination of Care (DOC) were clarified to align with Adoption Subsidy policy.

*Reason:* To align with Adoption Subsidy Policy.

Communication Plan: Guardianship Power Point.

**5) Address change**

**GDM 760, Address Changes/Out of State Cases:**

Effective October 21, 2013, the Adoption Subsidy Office has relocated to the following address:

Department of Human Services  
Grand Tower Building, Ste. 612  
235 S. Grand Avenue  
PO Box 30037  
Lansing, MI 48909  
*Reason:* Policy update.

**EFFECTIVE**

February 1, 2014.

**Subject(s)**

The software we use to write policy manuals is changing. We are converting manuals one at time from our old system which was Adobe FrameMaker to our new Microsoft system. Historical policy will be viewable as a PDF file for internal DHS users.

As manuals are converted they will be listed on the Policy News & Tips page for internal DHS users. Unless the bulletin states otherwise, no policy content will be changed although the policy effective date will change due to conversion.

The Child Guardianship manuals have been converted and will have a February 1, 2014 effective date. No policy content has been changed.

Tips for using the new manual software for internal DHS users are located on the Policy News & Tips page.

*Reason:* Policy software update.

**EFFECTIVE**

August 1, 2014.

**Subject(s)****GDM 770, Recoupment:****Recoupment**

Recovery of subsidy overpayments is handled by the Reconciliation and Recoupment Section in Central Office.

**Notice of Non-Support Process**

Notice of non-support uses the DHS-1184-G, Initial Letter Regarding Guardianship Assistance, form to notify the guardian(s) that they must provide a written response and supporting documentation of any support for the child within 14 calendar days of receipt of the notification.

**Recoupment Process When Eligibility Ceases to Exist**

The recoupment process for an overpayment will be immediately initiated when the DHS subsidy office is notified that guardianship subsidy eligibility no longer exists; see GDM 745-Juvenile Guardianship Assistance Case Opening and Duration, for more information regarding eligibility criteria. The DHS subsidy office will initiate the recoupment process by issuing the DHS-4103-G, Juvenile Guardianship Assistance Case Closure/Overpayment Notice, to the guardian(s).

The DHS-4103-G must be mailed to the guardian(s) along with the DHS-325-AA, Debtor Repayment Agreement. The DHS-325-AA informs the guardian(s) that they have the option to make payment in full, have a reduction in their assistance (if currently receiving assistance for another child) or make monthly payments. The DHS subsidy office must upload a copy of the DHS-4103-G and the DHS-325-AA, into MiSACWIS.

The guardian(s) must indicate which repayment option they have selected from the options listed above by one of the following actions:

- Send a check or money order for the entire amount due, made payable to State of Michigan and send to the DHS Cashiers Unit, or

- Return a signed copy of the DHS-325-AA, to Reconciliation and Recoupment Section, PO Box 30037, Lansing MI 48909 with one of two boxes checked, either assistance reduction (only can occur if provider has an active assistance case) or manual monthly payments made to the DHS Cashiers Unit

**Note:** Recovery of juvenile guardianship assistance overpayments is handled by the Reconciliation and Recoupment Section in Central Office.

### **Reconciliation and Recoupment Overpayment Process**

Whenever the guardian(s) have questions regarding how the amount of overpayment was determined, the Reconciliation and Recoupment Section will direct the guardian(s) to the DHS subsidy office to address the guardian(s) concerns.

After the DHS subsidy office addresses any concerns or disputes with the guardian(s), the DHS subsidy office may make changes to the recoupment amount or time period that the overpayment was to have occurred. The DHS subsidy office will reflect this on a revised, DHS-4103-G and send an updated DHS-325-AA to the guardian(s). The DHS subsidy office may determine that the initial recoupment amount and dates were correct and will notify the Reconciliation and Recoupment Section to proceed with recoupment of funds.

If the DHS-4103-G is revised, copies must be uploaded in MiSACWIS and must be sent to the Reconciliation and Recoupment Section and the guardian(s).

The Reconciliation and Recoupment Section monitors for repayment compliance based on the signed DHS-325-AA, Debtor Repayment Agreement, and assesses for delinquency in payments.

### **Attorney General Referral**

In the event a debt due to an overpayment of juvenile guardianship assistance becomes delinquent, the debt may be referred by Reconciliation and Recoupment staff to the Attorney General's Office for further collection efforts. The Attorney General's Office will pursue collections on such claims through voluntary repayments, civil lawsuits, probation violations and seizure/garnishment on civil and criminal restitution orders.

**Office of Inspector General's Referral**

A referral to the Office of Inspector General shall be made if fraud is suspected. The DHS subsidy office must make a referral to the Office of the Inspector General for investigation, using the DHS-834, Fraud Investigation Request.

*Reason:* Clarification and prevention of fraud.

**EFFECTIVE**

April 1, 2014.

**Subject(s)**

ICM 100, Interstate Compact on the Placement of Children (ICPC) Overview, ICM 110, Interstate Compact on the Placement of Children Requirements, and ICM 130, Interstate Foster Care Procedures.

This policy is revised to incorporate new legal guidance for special cases where ICPC processes are not applicable.

Training element: Job Aid.

*Reason:* Policy Clarification.

**EFFECTIVE**

May 1, 2014.

**Subject(s)**

Juvenile Justice Pre-Sentence Investigations, JJ2 210, has been updated to include the contents of Waiver Procedures - Family Court, JJ2 225 due to the highly related content. JJ2 210 has been updated to provide clarification on required elements of the pre-sentence report and the circumstances under which the pre-sentence report is required. It also provides clarification regarding how to enter a pre-sentence investigation case into MiSACWIS.

*Reason:* Juvenile Programs clarification and 1974 PA 258, amended by 2012 PA 540, Effective March 28, 2013.

**EFFECTIVE**

July 1, 2014.

**Subject(s)**

JJ7 700, Juvenile Justice Assignment Unit Placement Process

This revision clarifies policy about the Juvenile Justice Assignment Unit (JJAU) including decision-making and operating practices associated with placement referrals to private and public agencies. The change expands on the role of structured decision-making and how it relates to court recommendations for placement in juvenile justice residential placements. The policy also provides guidance through reference to other placement options for juvenile justice youth.

Training element: Job Aid.

*Reason:* Policy clarification.

**EFFECTIVE**

August 1, 2014.

**Subject(s)**

1. JR3 340, Psychotropic Medications.
2. JR3 380, Prescription Practices.
3. JR3 381, Medication Administration.
4. JR3 382, Medication Security and Storage.

This revision adds detail to describe:

- Job classifications with access and responsibility to dispense medications including controlled substances.
- How medications are dispensed to each youth.
- How medications are accounted for including inventories.
- How medications are disposed of including witness requirements for destruction.
- Actions taken when a youth refuses a medication.
- Actions associated with medication errors.

*Reason:* Policy clarification request by DHS Office of Human Resources.

Communication Plan: Job Aid.

**EFFECTIVE**

September 1, 2014.

**Subject(s)**

1. JR1 170, Staff Development and Training.
2. JR6 602, Discipline Response System.
3. JR6 610, Physical Restraint.

This bulletin revises physical restraint and facility staff training policy for residential juvenile justice facilities to incorporate the Handle with Care behavior management system. Staff will use Handle with Care methodology in concert with current physical restraint practices in the facility.

*Reason:* Update policy to incorporate new methodology for physical restraint of residents in juvenile justice facilities.

Communication Plan: Job Aid.

**EFFECTIVE**

March 1, 2014.

**Subject(s)**

Pursuant to the Fostering Connections to Success and Increasing Adoptions Act, P.K. 110-351, NAA 315 - Transfer to Tribal Agency/Court policy, provides guidance for transferring state/tribal cases under four case scenarios in compliance with title IV-E to maintain continuity of services/benefits for the child(ren) after a case transfer occurs:

1. In-State case transfer to a tribe with a direct title IV-E agreement.
2. In-State case transfer to a tribe with a state tribal title IV-E agreement.
3. Out-of-State case transfer to a tribe with a direct title IV-E agreement.
4. Out-of-State case transfer to a tribe with a state tribal title IV-E agreement.

**EFFECTIVE**

May 1, 2014.

**Subject(s)**

1. Indian Outreach Services (IOS) manual.
2. Native American Affairs (NAA) manual.
3. Tribal Agreement Manual (TAM)

**1) Indian Outreach Services (IOS) Manual:**

The following topics have been updated:

1. Annual IOS Plan & Report Deadlines.
2. Best-practice Tools.
3. Forms and Templates.
4. Legal Basis.
5. Michigan Statewide Automated Child Welfare Information System (MISACWIS).

**2) Native American Affairs (NAA) Manual:****New Items ...**

1. American Indian/Alaska Native Adult Protective Services (APS) - NAA 700.
2. Legal Basis (NAA 100 -700).
3. Michigan Indian Family Preservation Act (MIFPA) guidance (NAA 100 -700).
4. Michigan Statewide Automated Child Welfare Information System (MiSACWIS) - NAA 100 -700.

**3) Tribal  
Agreement Manual  
(TAM)**

Updated listing of department agreements with Michigan federally recognized tribes for the following services:

1. After-hours Protective Services Investigations.
2. Tribal Consultation.
3. Tribal title IV-E.
4. Youth In Transition (YIT).

**EFFECTIVE**

February 1, 2014.

**Subject(s)**

1. Dismissed Petitions.

**1) Dismissed  
Petitions**

PSM 715-3, Family Court: Petitions, Hearings and Court Orders:

**Court Decisions**

If the court or referee refuse to authorize or dismisses the petition, with or without warning and regardless of the basis for dismissal, the Office of Children's Legal Services (CLS) must be notified **immediately** to determine if the court's decision should be appealed or other additional steps are required. The petition, along with the pertinent court order should be forwarded to CLS for review and the purposes of tracking. The worker must also provide a synopsis of the local prosecutor's position and any action that they plan to take regarding the dismissed petition. The Office of Children's Legal Services can be contacted by phone at 517-373-2082 or fax the required information to 517-241-7340.

*Reason:* Request from legal services.

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**EFFECTIVE**

June 1, 2014.

**Subject(s)**

1. New Reporting Requirements.
2. Reversals for rejected complaints.
3. Second medical opinions.
4. Drug testing of minors.
5. Assistance cases.

**1) New Reporting Requirements****PSM 712-1, Mandated Reporters**

Children's Protective Services investigators are not required to file a separate report of suspected abuse and/or neglect on their own active investigations. If the CPS investigator learns of a new abuse and/or neglect allegation, suspects new maltreatments, or identifies additional household victims, the investigator **must** thoroughly investigate those allegations as part of the active investigation and document the findings in the disposition.

**2) Reversals on Rejected Complaints****PSM 712-7, Reversals**

When Centralized Intake (CI) reviews a rejected complaint and makes a decision to assign, CI will use the date and time of the review to create another complaint, which will reference the original reporting source and log number.

**3) Second Medical Opinions****PSM 713-4, Second Opinion**

A second opinion should not be sought when a comprehensive examination and/or review has already been completed by a pediatric child abuse specialist.

#### 4) Drug Testing of Minors

##### PSM 713-7, Drug Testing of Minors

Except for complaints involving in utero drug exposure, methamphetamine exposure, or a minor parent whose substance abuse affects his or her child, CPS must **not** subject a child to drug testing during an investigation or ongoing case. If the situation falls under one of the above referenced exceptions, CPS drug testing of minors must be conducted according to existing policy.

#### 5) Assistance Cases

##### PSM 715-2, Assistance Cases

When out of home placement has occurred, the worker should inquire if the family has an open assistance case. If the worker becomes aware that the family does have an open assistance case, they must contact the family's assistance worker immediately to inform them that out-of-home care placement has occurred.

*Reason:* Clarification.

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**EFFECTIVE**

September 1, 2014.

**Subject(s)**

1. Face-to Face Requirements.
2. Dismissed Petitions.

**1)Face-to Face  
Requirements**

PSM 714-1, Post Investigative Services:

**Service Level and Contact Standards**

Each child identified as a victim must be seen in accordance with the risk level. Regardless of the risk level, each child not identified as a victim and a caregiver for the child victim must be seen at least once a month.

*Reason:* CPS Program Office recommendation.

*Communication Plan:* [Children's Services Administration Memo 14-033](#).

**2) Dismissed  
Petitions****PSM 715-3**

The email address to contact legal services when a petition is dismissed by the court has been corrected. Office of Children's Legal Services must be contacted at [CLSRequestsforLegalResearch@michigan.gov](mailto:CLSRequestsforLegalResearch@michigan.gov).

*Reason:* Correction.

*Communication Plan:* None needed.

**EFFECTIVE**

October 1, 2014.

**Subject(s)**

Protect MiFamily

**This bulletin replaces PSB 2013-007.**

**FEW 100****Project Description**

Protect MiFamily is Michigan's federally approved title IV-E waiver child welfare demonstration project. The project is expected to run for five years, beginning August 1, 2013 and will serve approximately 300 families per year in select counties by providing direct engagement and community services. The goals are to reduce the risk of future maltreatment, preserve the family unit while preventing out of home placement, increase safety, build parental strengths and capacity and improve child well-being.

**FEW 110****Target Population Defined**

The local DHS office will adhere to the following policy for determining waiver program eligibility.

Eligibility must be determined and Random Assignment performed on each family that meets the outlined criteria.

DHS shall not perform Random Assignment or designate any family to the waiver project that does not meet the following criteria.

Questions about family eligibility should be directed to central office waiver staff at MDHS-FEW@michigan.gov

**FEW 120****Eligibility Qualification**

Each of the following circumstances must exist for families to be determined eligible for the waiver experimental or control group:

1. A Child Protective Services (CPS) investigation resulted in a Category II complaint disposition or a Category IV complaint disposition with high or intensive risk level as determined by

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the DHS Structured Decision Making (SDM) Risk Assessment tool.

2. At least one household child is 0 through 5 years of age.
3. The family resides in a geographical area designated as a waiver demonstration site: Macomb, Muskegon, or Kalamazoo County.
4. CPS cases that are deemed or marked confidential.

## FEW 130

### Eligibility Disqualification

DHS shall not perform Random Assignment or designate a family to the waiver project when any of the following circumstances exists:

5. The child(ren) would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child(ren).
6. The child(ren) would be living in the same household with a parent or other adult who has been substantiated by CPS for sexual abuse against a child(ren).

**Note:** If the above circumstances were not present at the time of random assignment, but subsequently occur (such as a perpetrator has moved in with the family after waiver services commence), central office waiver staff should be consulted.

7. The case was investigated by the Maltreatment in Care (MIC) unit due to the perpetrator(s) being a licensed foster care provider or employee of a child caring institution.

## FEW 140

### Family Moves

If a family randomly assigned to the waiver experimental group subsequently moves less than 10 miles beyond Macomb, Muskegon, or Kalamazoo County, the waiver contractor must continue to provide waiver services to the family.

If a family moves more than 10 miles beyond Macomb, Muskegon, or Kalamazoo County, the following may occur:

8. The waiver private agency will close the case and notify CPS immediately if the case remains open to CPS, or
9. The waiver private agency will continue to provide waiver services to the family if prior approval was obtained from central office waiver staff.

## FEW 150

### Unusual Circumstances

The following guidelines govern cases in which Random Assignment was performed, the family was designated to the experimental group, and subsequently, a petition for court jurisdiction was filed prior to 15-month waiver case closure. As a general rule, the waiver private agency will continue to service the family so long as children remain in the home and foster care has not assumed full family responsibility.

- Court declines to take jurisdiction, child(ren) remains in the household.  
Waiver experimental case remains open and the family continues to receive waiver services provided by the waiver private agency.
- Court takes jurisdiction, but at least one child remains in the household.  
If CPS retains case responsibility, the waiver experimental case remains open and the family continues to receive waiver services provided by the waiver private agency. If foster care assumes responsibility for servicing the case, the waiver private agency will close its case.

**Exception:** Exceptions may be granted. Please contact central office waiver staff at MDHS-FEW@michigan.gov

- The court orders the return of one or more household child(ren) within 21 days of the filing of the court petition.
- If CPS retains case responsibility, the waiver experimental case remains open and the family continues to receive waiver services provided by the waiver private agency.

After the children are removed, the waiver agency should maintain an open case, but pend service provision to the family. If the child(ren) is returned within 21 days, waiver service intervention by the waiver private agency will resume. If

the children are not returned within 21 days or if foster care assumes responsibility for servicing the case, the waiver private agency will close its case. \*\* Exceptions may be granted. Please contact central office waiver staff at MDHS-FEW@michigan.gov

- Court ordered out-of-home placement of the child(ren) exceeds 21 days from the filing of the court petition. Waiver experimental case is closed by the waiver private agency.

**Note:** Unless mitigated by the following FEW policies and guidelines, all CPS policies as outlined in PSM remain effective and must be followed, when applicable.

## FEW 200

### Waiver Experimental (X) Group

Designated child welfare program managers and supervisors in each demonstration site will perform random assignment to determine which families from the eligible target population will be referred to the waiver experimental (X) group. Families randomly assigned to the experimental (X) group will receive waiver services and supports for 15 months. The waiver private agency under contract with DHS is responsible for direct engagement and intervention with the family, case management, and collaboration with CPS and community service providers.

## FEW 205

### Referral to Waiver Private Agency

Upon determining via random assignment that a family has been designated to the waiver experimental (X) group, the CPS specialist will notify the family and complete the DHS-892-FEW. Within 24 hours, the CPS specialist will forward to the waiver private agency the documents bulleted below regarding the current investigation. Documents must be reviewed and approved by the CPS supervisor before sending. If it is not feasible to meet the 24 hour timeframe, documents should be forwarded as soon as possible. All documents shall be sent electronically, unless infeasible:

- Waiver Project Referral and Designation - DHS-892-FEW.
- Investigation Report – DHS-154.
- CPS Safety Assessment/re-assessments.
- CPS Risk Assessment/re-assessments.

- FANS and CANS, if applicable.

CPS must follow SRM-131 and make the necessary redactions, including reference to the CPS reporting source, on the DHS-154 report before sending it to the waiver private agency.

The CPS specialist shall notify the waiver private agency of immediate threats to child safety and any known threats to worker/provider safety.

## FEW 210

### Family Notification and Engagement

For families assigned to the experimental group, CPS shall meet with the family to communicate referral to the waiver project and provide:

- A description of the waiver services and supports that will be provided.
- The name of the waiver private agency.
- An explanation of how participation will benefit the family and potential consequences of nonparticipation.
- Westat Parent Consent Form provided and signed by the family.

Within 24 hours of receiving notification that a Category II case has been assigned to the waiver, CPS will convene a family team meeting. When the 24 hour timeframe is not feasible, CPS will attempt to convene the meeting as soon as possible. It is the responsibility of the CPS specialist to contact the family and waiver private agency to coordinate a time and place for the meeting. Families assigned to the waiver who have an open Category II CPS case should be informed that participation is necessary to reduce risk and ensure child safety. It should further be emphasized that successful participation and progress will likely result in closure of the CPS case (after risk is reduced) and may avert the need to file a court petition.

Families referred to the waiver project whose case will be closed Category IV should be informed that the risk of future maltreatment is high and that participation in waiver services has the potential to greatly benefit the family and may reduce the likelihood of future contact with CPS.

**FEW 215****Informed Consent**

As soon as possible following random assignment and designation to the experimental group, CPS will provide the parent(s) with the Westat Parent Consent Form and request the Form be signed. After completion, the following must occur:

- Make two copies of the signed Form: Give one to the family and retain one in the file.
- Forward the original hard copy signed Form to the person in your office designated to collect the Forms and store them in a secure location.
- Send the Forms (original signed Forms, not copies) on a monthly basis to:

Westat Inc. c/o Raquel Ellis  
1600 Research Blvd.  
Rockville, MD 20850

**FEW 220****Communication and Information Sharing****Open CPS cases**

Consistent with policy outlined in PSM, CPS will have ongoing case oversight responsibility for open Category II cases assigned to the waiver. As long as the CPS case remains open, CPS will maintain communication with the waiver private agency, share pertinent information, participate in team meetings, and receive updated reports and information.

CPS will notify waiver central office staff as soon as possible when a court petition has been filed involving a family assigned to the waiver.

**Closed CPS cases**

Consistent with CPS policy, after risk is reduced, CPS may decide to close a Category II case, even though the family's participation in the waiver continues. After the Category II CPS case is closed, and in all Category IV cases referred to the waiver, CPS will not maintain communication, oversight or information sharing with the waiver private agency. Likewise, in closed CPS cases, the waiver

private agency will not maintain communication with CPS or provide updates or reports. If the CPS case is closed, the waiver private agency must file waiver reports in the family's waiver file and retain the file at the waiver private agency.

**FEW 225**

**Contact Standards for Open CPS Cases**

For Category II cases assigned to the waiver experimental (X) group, face-to-face (F2F) contacts with the client by the waiver private agency may be counted as a F2F contact to replace a CPS specialist’s contact, in the same way as outlined in PSM 714-1 for Families First and Families Together Building Solutions. To be clear, the CPS specialist must still maintain a minimum of one face to face contact with the family per month, which must include contact with the child victim(s.) Minimum contact standards to be completed by the waiver private agency are:

Phase 1	Phase 2	Phase 3
Engagement & Case Planning	Engagement & Collaborative Monitoring	Support & Reduced Engagement
Verbal communication with the family within 24 hours of referral.	One F2F with the family every 7 days.	Monthly F2F contact with the family.
F2F within 72 hours of referral	Verify the safety of each child at least 1 time every 7 days.	Collateral contacts as needed.
2 F2F contacts with the family every 7 days.	Frequent and regular collateral contacts are expected.	
Verify safety of each child at least 1 time per week.	Consistent communication with CPS specialist for open CPS cases.	
Several collateral contacts per week.		
Consistent communication with CPS specialist for open CPS cases.		

**Note:** The family may only advance to Phase 3 after the score on the CPS Risk Re-Assessment has reduced to low or moderate.

**FEW 230**

**Service Agreement/Case Plan**

The waiver private agency will complete a Waiver Case Plan - DHS-1091-FEW within 45 days of referral of the family to the experimental group. In situations in which there is an open Category II case, the waiver private agency will forward a copy of

the completed Case Plan to the CPS specialist. This Case Plan fulfills the CPS requirement for completing a Services Agreement (a separate CPS Services Agreement is not required).

## **FEW 235**

### **Post-Investigative Services**

For families referred to the waiver experimental (X) group, post-investigative services, including goal identification, resource identification, etc. will be completed by the waiver private agency.

## **FEW 240**

### **Family Team Meeting**

Families referred to the waiver experimental (X) group will participate in family team meetings convened and facilitated by the waiver private agency. In all waiver cases, the waiver private agency will convene a family team meeting between 21-45 days after the family was referred to the waiver.

A family team meeting may be convened at other times during waiver intervention and is required when there is a proposal to advance the family from waiver phase 2 to phase 3 and at 15-month case closure. The waiver private agency must provide CPS no less than seven days-notice to attend each family team meeting held concerning an open Category II case. When not feasible to provide 7 days-notice, the waiver private agency will notify CPS as early as possible.

After a case has been referred to the waiver experimental group and so long as the family maintains participation in the waiver, CPS is not required to convene separate family team meetings. However, CPS is not precluded from convening such meetings, if CPS determines it is necessary, including situations identified in PSM 715-2 (emergency removal or considered removal). If CPS convenes a family team meeting (also known as PPC, MiTeam, FTM), CPS must notify and seek participation of the waiver private agency, whenever feasible.

## **FEW 245**

### **CPS Updated Service Plans**

DHS-1239-FEW, Waiver Progress Reports, DHS-152, CPS USPs .  
Completion of waiver Progress Reports by the waiver private

agency follows the same timetable as CPS USPs. The initial waiver Progress Report will be completed 60 days after the family is referred to the waiver, and every 90 days thereafter. In all cases in which there is an open Category II case, the waiver private agency will forward a copy of the completed Waiver Progress Report to the CPS specialist.

## FEW 250

### Problem Resolution

When local DHS staff identifies a problem with decision-making or actions taken by the contracted waiver private agency, the following steps may be taken towards resolution.

- Meet with the waiver private agency supervisor, program manager, or agency administration, and
- Inform DHS waiver central office staff of the issue and its resolution at MDHS-FEW@michigan.gov

**Note:** In no way does FEW policy prevent or limit CPS from taking whatever steps it determines necessary to investigate suspected abuse or neglect, address safety concerns, and/or take action to protect a child being serviced in the waiver.

## FEW 300

### Waiver Control (C) Group

Designated child welfare program managers and supervisors in each demonstration site will perform random assignment to determine which families from the eligible target population will be referred to the waiver control (C) group. Families randomly assigned to the control (C) group will receive services as usual and will not be referred to the waiver private agency. CPS will be responsible for tracking and reporting expenditures related to services and interventions applied to control (C) group families using the DHS-1229-FEW, Control Group Expenditure Data Collection.

**Note:** Waiver private agency staff, including supervisors and workers, may not be assigned or have responsibility for servicing families in the control group AND families in the experimental groups. To achieve required separation, agency staff personnel assigned to the waiver may not also be responsible for or provide

services to families referred to the agency for Families First, FTBS, Wraparound, or other family prevention/preservation service.

**FEW 310****Informed Consent**

As soon as possible following random assignment and designation to the control group, CPS will provide the parent(s) with the Westat Parent Consent Form and request the Form be signed. After completion, the following must occur:

- Make two copies of the signed Form: Give one to the family and retain one in the file.
- Forward the “original” hard copy signed Form to the person in your office designated to collect the Forms and store them in a secure location.
- Send the Forms (original signed Forms, not copies) on a monthly basis to:

Westat Inc. c/o Raquel Ellis  
1600 Research Blvd.  
Rockville, MD 20850

**FEW 320****Tracking and Reporting Expenditures**

For financial and accounting purposes as well as for the cost-analysis portion of the waiver evaluation, DHS must track services and expenditures applied to families in the control (C) group. This includes DHS and non-DHS services and expenditures. The Control Group Expenditure Data Collection, DHS-1229-FEW, must be completed and forwarded to the waiver central office staff on a monthly basis. Send to MDHS-FEW@michigan.gov



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-001**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** February 6, 2014

**SUBJECT:** Bench Warrant Policy Updates – Demographic Information  
Overwrite Issue

<p><b>UPDATE(S):</b></p> <p><input checked="" type="checkbox"/> Manual</p> <p><input type="checkbox"/> Form(s)</p>
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**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces policy updates in *Michigan IV-D Child Support Manual* Section 6.45, “Bench Warrants/LEIN.” The updated policy clarifies IV-D staff responsibilities for ensuring bench warrants (BWs) that result from an individual’s failure to appear at a show cause hearing include all available identifying information. This IV-D Memorandum also identifies a BW reconciliation issue for which programming changes will be implemented in the Michigan Child Support Enforcement System (MiCSES) 8.6.2 Release (February 7, 2014).

Significant changes to Section 6.45 since its last publication are indicated by a change bar in the right margin of the manual section. Formatting changes, updated references to additional information, and minor changes to wording are not identified with change bars.

**DISCUSSION:**

**Summary of Policy Updates**

Section 6.45 was updated to clarify IV-D staff actions that are necessary to ensure BWs entered in the Law Enforcement Information Network (LEIN) are complete, accurate and validated. These actions are necessary for compliance with the Michigan State Police,

LEIN Field Services (MSP-LFS) policy as well as the interagency agreement between the MSP, the Criminal Justice Information Center, and the Department of Human Services (DHS). The agreement and MSP-LFS policy allow the IV-D program to electronically interface with LEIN through MiCSES.

The updated policy in Section 6.45 applies primarily to FOC staff. However, all IV-D staff (support specialists, PA staff, OCS staff, etc.) are responsible for ensuring accurate and complete demographic information is entered in MiCSES for compliance with LEIN warrant entry policy. When any IV-D staff member updates demographic information, it can result in MiCSES sending the updated information automatically to LEIN.

The specific changes to Section 6.45 are as follows:

1. The interagency agreement was added as support for IV-D program BW policy and MiCSES/LEIN interface requirements.
2. The meaning of “originating agency” and MSP’s assignment of an “originating agency identifier” were clarified.
3. The term “enforcing law enforcement agency” was introduced, along with its role in maintaining and serving the BW.
4. The address for referring subpoenas and Freedom of Information Act requests to MSP was updated.
5. Significant clarifications were added regarding “packing a warrant,” including:
  - a. The responsibilities of IV-D staff, the originating agency, and the enforcing law enforcement agency;
  - b. A requirement that before entering a BW in MiCSES, FOC staff must enter all identifying information in possession at the time the BW is issued by the court;
  - c. A recommendation for locating identifying information before or after the court issues a BW;
  - d. The consequences of not packing a BW; and
  - e. The information that is required for BWs and the information that is considered additional.
6. Significant clarifications were added regarding the monthly BW validation process, including:
  - a. The fact that all active BWs are reconciled in the automated reconciliation process, not just the BWs entered in the validation month;
  - b. A requirement that FOC staff must manually reconcile **all** active BWs with mismatched information – not just the BWs that MSP-LEIN policy requires to be validated each month (i.e., the BWs entered in the validation month);
  - c. A requirement that FOC staff must enter valid BW information that is entered in LEIN but not entered (missing) in MiCSES; and
  - d. A requirement that FOC staff must reconcile BW information differences between MiCSES and LEIN as well as contact the enforcing law

enforcement agency to confirm or determine which information is current and accurate.

### **Automatic Reconciliation Issue and Change Implemented in the MiCSES 8.6.2 Release (February 7, 2014)**

Prior to the MiCSES 8.6.2 Release, the monthly automated reconciliation process in MiCSES was sending BW updates to LEIN even if the BW in MiCSES had missing, blank or unknown identifying information but LEIN had a valid, non-blank value. Consequently, a limited number of BWs in LEIN that had information entered by the enforcing law enforcement agency were overwritten with the blank/unknown information from MiCSES. This is a violation of MSP-LFS policy and the interagency agreement that BWs must be entered in LEIN with complete and accurate information.

As a temporary measure, OCS, DTMB-MiCSES, and MSP agreed to suspend the MiCSES reconciliation process from transmitting automatic updates to LEIN where mismatches occurred in certain fields regardless of whether MiCSES had missing information. The fields included eye color, hair color, height, ethnic code, weight, middle name, and suffix. The suspension began as of the December 2013 validation and continued for the January validation (ran before the MiCSES 8.6.2 Release and is due after the MiCSES 8.6.2 Release). During this time frame, MiCSES listed the mismatches on the *LEIN Reconciliation Report*, and FOC staff have the continuing responsibility of manually reconciling, correcting, and validating BWs. A supplemental validation report, *FLVAL – Mismatched Information*, is available in MiCSES on the *Functional Prototype Queries* (FPRO) screen to assist FOC staff with the increased volume of mismatches requiring manual attention.

As of the MiCSES 8.6.2 Release, the monthly automated reconciliation process will no longer submit BW updates to LEIN when LEIN has a valid, non-blank value but that same value in MiCSES is missing, blank or unknown. The updated policy in Section 6.45 guides FOC staff in preventing the initial submittal of missing information to LEIN through the BW entry process and in handling missing information after BW entry through the monthly BW validation process.

#### **NECESSARY ACTION:**

Review Section 6.45 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print the manual section and add it to the manual. Discard the previously published version of Section 6.45 (published December 5, 2011).

#### **REVIEW PARTICIPANTS:**

Enforcement Work Improvement Team  
MSP-LFS  
Program Leadership Group  
State Court Administrative Office

**CONTACT PERSON:**

Chris Townsend  
OCS Policy Analyst  
(517) 241-5053  
[TownsendC2@michigan.gov](mailto:TownsendC2@michigan.gov)

**CC:**

Attorney General  
MSP-LFS  
State Court Administrative Office

**ATTACHMENT:**

Section 6.45: Bench Warrants/LEIN

**EPF/CT**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-002

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** February 28, 2014

**SUBJECT:** Revisions to Administrative Hearing Procedures

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** March 1, 2014

#### PURPOSE:

This IV-D Memorandum introduces changes to IV-D policy to improve collaboration between public assistance staff and IV-D staff in the hearing process. OCS and public assistance staff have worked in cooperation with Michigan Administrative Hearing System (MAHS)<sup>1</sup> staff to improve communication between public assistance programs and the IV-D program when a public assistance applicant/recipient contests an action related to the child support program requirements. The changes are designed to increase the efficiency of the hearing process and to ensure adjudication of all relevant and necessary issues as early as possible.

Changes to the hearing process include:

- Emphasis on the responsibilities of Department of Human Services (DHS)-designated hearings coordinators as the point of contact between DHS offices and IV-D offices;
- Revised time frames for the hearing process;
- Mandated prehearing conferences; and
- Improved MAHS communication and tracking.

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<sup>1</sup> MAHS is a bureau within the Department of Licensing and Regulatory Affairs (LARA).

#### UPDATE(S):

- Manual
- Form(s)

These changes will be incorporated into [Section 3.55, "Hearings," of the Michigan IV-D Child Support Manual](#) in a future publication. Effective March 1, 2014, the [Bridges Administrative Manual, BAM 600, "Hearings,"](#) will include these changes for public assistance staff.

## **DISCUSSION:**

Federal regulations<sup>2</sup> and state laws<sup>3</sup> governing assistance programs provide every assistance applicant/recipient or his/her authorized hearing representative (AHR)<sup>4</sup> with the right to an administrative hearing to contest the denial, reduction or termination of assistance by DHS. The IV-D program is part of the hearing process when the assistance applicant/recipient is the custodial party (CP) on a child support case, and the hearing request is a result of a child support issue such as a finding of noncooperation with child support requirements.<sup>5</sup>

When a CP or AHR challenges actions taken by DHS, IV-D staff can be effective witnesses in upholding support disqualifications made due to noncooperation with child support requirements. However, missed or delayed communication between public assistance staff and IV-D staff in the administrative hearing process has led to increased program costs, lost opportunities to resolve issues quickly, and reversals of DHS's actions by administrative law judges.<sup>6</sup>

Changes in the hearing process are designed to avoid these issues and resolve contested actions at the earliest point possible in the process.

## **Improved DHS Communication With IV-D Staff**

DHS policy in BAM 600, effective March 1, 2014, improves communication between public assistance staff and the IV-D program by requiring that DHS hearings coordinators be responsible for communicating to IV-D staff:

- Hearing requests;
- Prehearing conferences;
- Hearing withdrawals;

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<sup>2</sup> 45 Code of Federal Regulations (CFR) 205.10, 7 CFR 273.15, and 42 CFR 431.200-246

<sup>3</sup> Michigan Compiled Law (MCL) 400.9, MCL 400.37, and MCL 400.67

<sup>4</sup> The AHR is the person who stands in for or represents the assistance client in the hearing process and has the legal right to do so. For more information, reference the [DHS Bridges Policy Glossary](#) and BAM 600.

<sup>5</sup> Only CPs who receive public assistance benefits on behalf of children must cooperate with child support requirements. Ref: [Section 2.15, "Cooperation/Noncooperation/Good Cause," of the Michigan IV-D Child Support Manual](#) for more information. For clarity, this IV-D Memorandum will refer to the applicant/recipient as the CP.

<sup>6</sup> An administrative law judge is an employee of MAHS and conducts the administrative hearing independent of the agency whose action is being contested. After the hearing, the administrative law judge prepares a written decision that contains findings of fact and conclusions of law, and is based exclusively on the evidence presented.

- Adjournments;
- Scheduling and rescheduling of prehearing conferences and hearings; and
- Decisions and orders.

Section 3.55 of the *Michigan IV-D Child Support Manual* indicates that fax is the required communication method between public assistance staff and IV-D staff. This policy remains unchanged. When hearings coordinators fax hearing information, BAM 600 mandates that they use a standard fax cover sheet that includes the text “Administrative Hearing – Time Sensitive,” as well as contact information for the hearings coordinator, DHS specialist, and first-line supervisor (a family independence manager or assistance payments supervisor). IV-D staff must use this contact information throughout the administrative hearing process to communicate supplemental hearing summaries or other documentation.

There may be times when public assistance staff or an administrative law judge needs to immediately contact IV-D staff. In these instances, public assistance staff or the administrative law judge will use the Interactive Voice Response (IVR) phone number: 1-866-540-0008. This phone number will direct the caller to OCS Case Management staff assigned to handle administrative hearing calls. OCS Case Management staff will respond and, if necessary, redirect the call to the appropriate IV-D office or IV-D staff.

### **Time Frames for the Administrative Hearing Process**

Beginning March 1, 2014, DHS local offices must meet the following time frames. Public assistance staff must, without exception:

- Schedule and conduct a prehearing conference within 11 calendar days from the time the hearing request is received in the DHS office, or if the 11th calendar day is a non-work day, then within 14 calendar days; and
- Submit the *Hearing Summary* (DHS-3050) and a complete hearing packet to MAHS within 21 calendar days of receipt of the hearing request in the DHS office.

In addition, DHS hearings coordinators must send the appropriate support specialist/PA office the following information within 24 hours of its receipt at the DHS office:

- The hearing request;
- The date and time of the prehearing conference; and
- The date and time of the hearing.

Once IV-D staff receive notice of a hearing request, DHS requires that IV-D staff prepare a supplemental hearing summary and fax it to the DHS hearings coordinator within **five calendar days**.<sup>7</sup> If IV-D staff receive notice of a hearing request with fewer than five calendar days before a prehearing conference, IV-D staff will attempt to send the supplemental hearing summary before the prehearing conference is conducted.

MAHS will schedule a hearing when:

- The prehearing conference does not resolve the issues;
- The CP or AHR does not participate in the prehearing conference; or
- The CP or AHR does not sign a hearing request withdrawal at the time of the prehearing conference.

### **Mandated Prehearing Conferences**

The administrative hearing process can be expensive if it continues through to an administrative hearing with an administrative law judge presiding. The change in DHS administrative hearing policy requires a prehearing conference and the opportunity to resolve contested actions before a formal hearing takes place. When DHS resolves the contested issues during the prehearing conference and the CP or AHR signs the withdrawal of a hearing request, it eliminates the formal hearing from the process. Resolving issues prior to the formal hearing results in significant cost savings to the State of Michigan.

Prehearing conferences are encouraged to be meaningful in the new BAM 600 policy. BAM 600 defines a meaningful prehearing conference as one where public assistance staff:

- Determine why the CP or AHR is disputing DHS's action;
- Review any documentation the CP or AHR has to support his/her position; and
- Explain DHS's position and identify and discuss the differences between DHS's position and the CP's or AHR's position.

Public assistance staff **must** schedule a prehearing conference with the CP or AHR, replacing prior policy that suggested, but did not mandate, a prehearing conference. Public assistance staff will use a new form, the *Prehearing Conference Notice* (DHS-1560) to notify CPs or AHRs of the prehearing conference. DHS hearings coordinators will notify IV-D staff of the prehearing conference.

The IV-D office responsible for a noncooperation decision will participate in the prehearing conference. IV-D staff may be able to resolve issues raised by the CP or AHR in the prehearing conference and prevent the need for a hearing.

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<sup>7</sup> The five-calendar-day time frame is a change from current policy in the *Michigan IV-D Child Support Manual* which states that the IV-D worker must provide the supplemental hearing summary within 10 calendar days of receipt of the hearing request. (Ref: Section 3.55, Subsection 2.5, "The Inclusion of the IV-D Agency in the Hearing Process.")

If the disputed action is resolved in the prehearing conference, the CP or AHR may sign the *Hearing Request Withdrawal In-Person* (DHS-18M). DHS's receipt of a signed DHS-18M during the prehearing conference or a *Hearing Request Withdrawal* (DHS-18A) after the prehearing conference stops the hearing process and eliminates the need for a scheduled formal hearing.

Until IV-D staff receive a DHS-18A or DHS-18M from public assistance staff, they are required to participate in the hearing process by:

- Preparing and submitting a supplemental hearing summary;
- Participating in the prehearing conference;
- Participating in the administrative hearing; and
- Complying with the administrative law judge's decision and order.

Instead of receiving a DHS-18A or DHS-18M, IV-D staff may receive an email from public assistance staff indicating they have successfully processed a DHS-18A or DHS-18M.

### **MAHS Communication and Tracking Enhancements**

OCS has established an email address for receiving hearing communications from MAHS:

[DHS-OCS-Admin-Hearings@michigan.gov](mailto:DHS-OCS-Admin-Hearings@michigan.gov)

MAHS staff will install a new hearing tracking system in March 2014. When the DHS-3050 indicates that a hearing request is related to child support cooperation requirements, MAHS staff will send all notices of hearing, orders, and hearing decisions to this email address.

OCS staff will distribute any emails related to actions taken by PA staff to the appropriate PA office.<sup>8</sup>

### **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice.

### **REVIEW PARTICIPANTS:**

Program Leadership Group  
DHS Policy  
Administrative Hearings Workgroup

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<sup>8</sup> Ref: [Section 1.10, "Confidentiality/Security," of the Michigan IV-D Child Support Manual](#) for encryption requirements for confidential information and federal tax information.

**CONTACT PERSON:**

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OCS Policy Analyst  
(517) 241-8051  
[durnane@michigan.gov](mailto:durnane@michigan.gov)

**CC:**

MAHS  
DHS Field Operations  
DHS Program Policy

**SUPPORTING REFERENCES:**

Federal  
7 CFR 273.15  
42 CFR 431.200-246  
45 CFR 205.10

State  
MCL 400.9  
MCL 400.37  
MCL 400.67

**ATTACHMENTS:**

None

**EPF/ED**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-003**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** March 3, 2014

**SUBJECT:** Changes to *Michigan IV-D Child Support Manual* Section 5.20,  
“Obligation – Entry, Modification and Adjustments”

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces updates to Section 5.20, “Obligation – Entry, Modification and Adjustments” of the *Michigan IV-D Child Support Manual*. The revisions to Section 5.20 include options for end-dating the ordered on arrears (OOA) amount when the non-custodial parent (NCP) pays the arrears associated to an OOA in full.

The Michigan Child Support Enforcement System (MiCSES) will have the flexibility to end-date OOA on an obligation or order automatically or allow IV-D staff to end-date the OOA manually. Local FOC office policy will determine how IV-D staff should end-date OOA when the arrears associated to an OOA are paid in full. Options for end-dating OOA in MiCSES will be effective with the MiCSES 8.7 Release,<sup>1</sup> which will be implemented on March 10, 2014.

In addition to the OOA revisions in Section 5.20, the zero support order subsection has been streamlined and reorganized for clarity since the last publication of the manual section. There are no significant additions or updates to policy regarding zero support orders.

<sup>1</sup> Ref: the [MiCSES 8.7 Release Notes](#).

**UPDATE(S):**

Manual

Form(s)

A change bar in the right margin of Section 5.20 indicates significant policy changes since its previous publication. Reorganized subsections without significant changes are not identified with change bars.

## **DISCUSSION:**

When an NCP owes arrears on a docket, a judge may order the NCP to pay an additional amount above current support toward the arrears. This is referred to as ordered on arrears (OOA). An NCP's OOA payments are used to pay down the existing arrears at a court-order level or obligation level.

When the arrears associated to an OOA amount have been paid in full, the NCP's requirement to pay OOA is met. As a result, the OOA should be end-dated in MiCSES since the judge's order stipulating the OOA is no longer applicable. As of the 8.7 release, MiCSES will have the flexibility to end-date OOA on an obligation or order automatically or allow IV-D staff to end-date the OOA manually.

Local FOC office policy will determine how IV-D staff should end-date OOA on an order or obligation when the arrears associated to an OOA amount have been paid in full. The Local Options Administrator may select one of the following options in MiCSES:

- **OOA\_ZERO\_Alert** – MiCSES sends an alert to IV-D staff to manually end-date the OOA amount;
- **End Date OOA** – MiCSES automatically end-dates the OOA amount and IV-D staff will not receive an alert; or
- **End Date & Alert** – MiCSES automatically end-dates the OOA amount and IV-D staff will receive an alert.

If the Local Options Administrator does not select one of these options, MiCSES will default to the OOA\_ZERO\_Alert option. IV-D staff should then end-date the OOA manually.

## **NECESSARY ACTION:**

Review Section 5.20 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print the manual section and add it to the manual. Discard the previously published version of Section 5.20 (published June 3, 2013).

With the publication of this IV-D Memorandum and manual section, Action Transmittal (AT) 2005-024, *Michigan State Disbursement Unit Transition – Phase 2* is obsolete. Although Section 5.20 does not incorporate any information from AT 2005-024, the content of this AT is outdated and will be obsoleted.

## **REVIEW PARTICIPANTS:**

Financials Work Improvement Team

Program Leadership Group

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**CC:**

None

**ATTACHMENT:**

Section 5.20:           Obligation – Entry, Modification and Adjustments

**EPF/KAP**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-004**

**TO:** All Friend of the Court (FOC) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** February 20, 2014

<b>UPDATE(S):</b>	
<input type="checkbox"/>	Manual
<input checked="" type="checkbox"/>	Form(s)

**SUBJECT:** Updates to the *Instructions for Withholding and Remitting Support From Employee/Obligor Lump-Sum Payments Form (DHS-1425)*

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces updates to the form *Instructions for Withholding and Remitting Support From Employee/Obligor Lump-Sum Payments (DHS-1425)*.

**DISCUSSION:**

The Michigan IV-D program asks sources of income (such as employers) to contact OCS Central Operations Lump-Sum Reporting staff in advance when the source of income plans on issuing a bonus or lump-sum payment to employees/obligors. The source of income contacts OCS to determine the maximum amount that may be withheld from an employee's/obligor's bonus/lump sum for support payments.

In response, OCS Central Operations Lump-Sum Reporting staff send the source of income the DHS-1425 along with a report listing the employees/obligors whose bonus or lump-sum payments qualify for support withholding. The DHS-1425 includes directions for sources of income to withhold support from employees'/obligors' bonus/lump-sum payments.

**Changes to the DHS-1425**

On the DHS-1425, the contact information for the OCS Central Operations Lump-Sum Reporting Unit has been changed:

- In the address, the location has been changed from the Hollister Building to the Grand Tower; and
- Next to the phone number, “Option 7” has been removed because this is not a feature in the new Interactive Voice Response (IVR) system, which was implemented in January 2014.<sup>1</sup> Instead, callers are prompted to state the reason for their call. Therefore, the text “when prompted, state ‘Employer Bonus’” has been added after the phone number.

In addition, the address and phone number in the footer of the form have been updated, and the form revision date has been changed from 9-11 to 2-14.

**NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. With the publication of this memorandum, the previous version of the DHS-1425 (Rev. 9/11) is obsolete.

**REVIEW PARTICIPANTS:**

Enforcement Work Improvement Team  
Program Leadership Group

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**CC:**

All Prosecuting Attorney staff

**ATTACHMENT:**

DHS-1425: *Instructions for Withholding and Remitting Support From Employee/Obligor Lump-Sum Payments*

**EPF/CT/SM**

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<sup>1</sup> Ref: [IV-D Memorandum 2013-025, OCS Case Management Section Business Process Changes, Upcoming New Interactive Voice Response \(IVR\) System, Revised Contact Information, and Form Updates](#) and the hotline notification dated 1/10/2014: [Announcement of the New Implementation Date of the Support Specialist \(SS\) Interactive Voice Response \(IVR\) System.](#)



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-005

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** April 16, 2014

**SUBJECT:** The Affordable Care Act (ACA) and the Impacts on the Michigan IV-D Program

**UPDATE(S):**

Manual

Form(s)

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum provides IV-D workers an overview of The Patient Protection and Affordable Care Act (ACA) and the impacts that the ACA may have on Michigan's IV-D program.

OCS originally published information about this subject in IV-D Memorandum 2013-026, *Introduction of the Affordable Care Act (ACA) and the Impacts on the Michigan IV-D Program*, on October 17, 2013. Since that time, OCS has analyzed some of the outstanding issues and questions, and determined clarifications are needed. Significant changes since the publication of IV-D Memorandum 2013-026 are indicated by a change bar in the right margin of this memorandum.

**DISCUSSION:**

The ACA was enacted in March 2010 and contains several mandates for all residents of the United States. The mandates are designed to ensure that a majority of U.S. residents have quality, affordable healthcare by requiring most residents to enroll in healthcare plans that meet certain minimum qualifications.

The ACA does not change any requirements for the IV-D program; however, there are steps that IV-D workers can take that will help families in our program meet their

obligations under child support orders and the ACA. The requirements and changes to the healthcare system in the United States may cause confusion for obligated parents and their families in need of healthcare. IV-D workers should familiarize themselves with the main provisions of the ACA and modify current medical support establishment and modification practices to take into account the requirements of the ACA.

## A. ACA Requirements

Four main requirements are outlined in the ACA:

- The individual mandate;
- Employer requirements;
- The creation of Health Insurance Marketplaces;<sup>1</sup> and
- Medicaid expansion and changes.

These requirements are detailed below.

### 1. Individual Mandate

As of January 1, 2014, all U.S. residents are required to maintain minimum essential healthcare coverage or pay a tax penalty to the Internal Revenue Service (IRS). Minimum essential healthcare coverage is the type of coverage an individual needs to meet the individual responsibility requirement under the ACA. Under the individual mandate, an adult or a married couple claiming a child as a dependent on their federal tax return are required to ensure that the child is enrolled in some form of minimum essential healthcare coverage. Parents can meet the responsibility for covering themselves and their children through employer-sponsored coverage, Medicaid, Children's Health Insurance Program (CHIP or MICHild), coverage obtained through the Marketplace, TRICARE, and other plans.

#### a. Exemptions

- 1) An individual is exempt from the responsibility to cover himself/herself and his/her children if:
  - a) (S)he is uninsured for less than three months out of the year;

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<sup>1</sup> A "Health Insurance Marketplace" is a resource where individuals, families, and small businesses can learn about their healthcare coverage options; compare health insurance plans based on costs, benefits, and other important features; choose a plan; and enroll in coverage. The Health Insurance Marketplace also provides information on programs that help people with low to moderate income and resources pay for coverage. Ref: the [Healthcare.gov glossary](#) for more information.

- b) Affordable<sup>2</sup> quality employer coverage is not available, or (s)he is determined to have very low income, and healthcare coverage is considered unaffordable;<sup>3</sup>
- c) His/her income is below the federal tax filing threshold;<sup>4</sup>
- d) (S)he would qualify under the new income limits for Medicaid, but his/her state has chosen not to expand Medicaid eligibility;
- e) (S)he is a member of a federally recognized Indian Tribe;
- f) (S)he participates in a healthcare sharing ministry;<sup>5</sup>
- g) (S)he is a member of a recognized religious sect with religious objections to health insurance; or
- h) (S)he has a hardship as defined by the Secretary of Health and Human Services.

In June 2013, the Centers for Medicare & Medicaid Services (CMS) clarified the hardship exemption. The clarification states that “Federal Marketplaces<sup>6</sup> will exempt a child who has been determined ineligible for Medicaid and CHIP, and for whom a party other than the party who expects to claim him or her as a tax dependent is required by court order to provide medical support.”<sup>7</sup> This clarification has particular importance to the IV-D program. A custodial party (CP) who claims his/her child on his/her tax return but who is **not** obligated to provide health insurance through a support order can receive an exemption and avoid penalties.<sup>8</sup>

In order to claim this exemption, a CP must complete and submit an exemption application in the Health Insurance Marketplace ([www.healthcare.gov](http://www.healthcare.gov)).

2) This exemption will not affect cases where:

- a) The child is eligible for Medicaid or CHIP; **or**
- b) **Both** parents are ordered to provide healthcare coverage. If the child is eligible for Medicaid or CHIP, and the CP has not applied for coverage, the CP will be subject to a penalty from the IRS if (s)he claims the child as a dependent. The hardship exemption only applies to exempt a person from the penalties the ACA imposes for failure to obtain

<sup>2</sup> Ref: Section A(2), “Employer Requirements” of this memorandum for more information.

<sup>3</sup> Coverage is unaffordable if the premium for the lowest-cost option on the Health Insurance Marketplace exceeds 8 percent of income.

<sup>4</sup> Ref: [www.IRS.gov](http://www.IRS.gov) for more information regarding federal tax filing thresholds.

<sup>5</sup> A “healthcare sharing ministry” is a healthcare cost-sharing arrangement among persons of similar and sincerely held beliefs, administered by a not-for-profit religious organization.

<sup>6</sup> Federal Marketplaces are the same as Health Insurance Marketplaces or Partnership Exchanges. A “Partnership Exchange” is a state’s partnership with the federal government in the creation and maintenance of a Health Insurance Marketplace.

<sup>7</sup> Ref: [Guidance on Hardship Exemption Criteria and Special Enrollment Periods](#), CMS Center for Consumer Information and Insurance Oversight Memorandum, June 26, 2013.

<sup>8</sup> Ref: Section A(1)(b) of this memorandum.

healthcare coverage. It does not exempt a parent from complying with a child support order to provide coverage for his/her child(ren).

Note: The ACA does not change the IV-D definition of “reasonable cost”<sup>9</sup> for healthcare coverage. It is possible that a parent could be exempt from providing coverage for his/her child under the ACA but still be required to provide coverage under his/her court order.

## b. Penalties

The ACA mandates that all individuals who do not have minimum essential coverage by 2014 must pay a tax penalty to the IRS unless they qualify for an exemption or exception. IRS tax forms will ask filers about healthcare coverage, and if a filer or a filer’s dependent is not covered, a penalty will be assessed and due when the individual files his/her tax return. The tax penalty will increase over the next three years until it reaches the maximum penalty under the law in 2016. The following are the penalties over the next three years:

- In 2014, the higher of \$95 per person, or 1.0 percent of taxable income;
- In 2015, the higher of \$325 per person, or 2.0 percent of taxable income; and
- In 2016, the higher of \$695 per person, or 2.5 percent of taxable income.

The tax penalty does not affect the IV-D program. The IV-D program still has the responsibility to establish and enforce medical support orders. A CP or a non-custodial parent (NCP) can receive both a penalty from the IRS **and** be subject to enforcement mechanisms from the IV-D program, such as a show cause hearing or a *National Medical Support Notice* (NMSN).<sup>10</sup> Conversely, a parent may be exempt from the IRS penalty but be subject to IV-D enforcement of medical support provisions.

## 2. Employer Requirements

By January 1, 2015,<sup>11</sup> large employers<sup>12</sup> must offer affordable quality healthcare coverage<sup>13</sup> to full-time employees<sup>14</sup> and their dependents<sup>15</sup> or pay a tax penalty if

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<sup>9</sup> Ref: [Section 4.20, “Support Recommendations and Order Entry,” Subsection 3.1.1, “Reasonable Cost,” of the Michigan IV-D Child Support Manual](#) for more information about reasonable cost.

<sup>10</sup> Ref: [Section 6.06, “Medical Support,” of the Michigan IV-D Child Support Manual](#) for more information.

<sup>11</sup> On February 10, 2014, the Obama Administration announced that employers with between 50 and 99 workers are not subject to the employer coverage requirement until January 1, 2016.

<sup>12</sup> “Large employers” are defined by the ACA as employers that employ 50 or more employees.

<sup>13</sup> Affordable quality employer coverage means the employee’s share of the annual premium for self-only coverage is no greater than 9.5 percent of annual household income.

<sup>14</sup> “Full-time employees” are defined by the ACA as employees who work an average of at least 30 hours per week.

<sup>15</sup> “Dependents” are defined by the ACA as children under the age of 26.

any full-time employee purchases coverage through a Health Insurance Marketplace and qualifies for an insurance premium tax credit.<sup>16</sup> Employers also are now required to report certain information about healthcare coverage to the IRS.<sup>17</sup>

Note: Starting on January 1, 2014, individuals offered employer-sponsored coverage that is affordable and provides minimum value will not be eligible for a premium tax credit.

### 3. Health Insurance Marketplaces

Under the ACA, each state is required to have a Health Insurance Marketplace implemented by October 1, 2013. States may:

- Choose to create and run their own Marketplace;
- Partner with the federal government in a Partnership Exchange; or
- Opt to have the federal government create and run the state's Marketplace with no assistance from the state.

#### a. Michigan's Marketplace

Michigan has opted to have the federal government create and run the state's Marketplace. Individuals can access all federally run Marketplaces (also known as the Health Insurance Marketplace) at [www.healthcare.gov](http://www.healthcare.gov). The Health Insurance Marketplace uses the federal *Application for Health Coverage & Help Paying Costs* (federal application) for online enrollment in a qualified health plan,<sup>18</sup> Medicaid, and CHIP.

The Health Insurance Marketplace also offers premium tax credits and cost-sharing reductions<sup>19</sup> to those who qualify.<sup>20</sup> Applicants have instant eligibility determinations and are able to select from a variety of healthcare options to fit their budgets and needs. Premium tax credits and cost-sharing reductions are available to those who earn 100 percent to 400 percent of the federal poverty

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<sup>16</sup> A "premium tax credit" helps individuals afford health coverage purchased through the Health Insurance Marketplace by allowing the credit to be applied toward the monthly premium. Ref: the [Healthcare.gov glossary](#) for information on premium tax credits.

<sup>17</sup> Ref: [www.healthcare.gov](http://www.healthcare.gov) for more information.

<sup>18</sup> Under the ACA, a "qualified health plan" is an insurance plan that is certified by the Health Insurance Marketplace, provides essential health benefits, follows established limits on cost-sharing (e.g., deductibles, copayments, and out-of-pocket maximum amounts), and meets other requirements. A qualified health plan will have a certification by each Marketplace in which it is sold. Ref: the [Healthcare.gov glossary](#) for more information.

<sup>19</sup> A "cost-sharing reduction" is a discount that lowers the amount individuals have to pay out-of-pocket for deductibles, coinsurance and copayments. The discount is based on an individual's income.

<sup>20</sup> Ref: Section B(2)(b) of this memorandum for information about the impacts of tax credits on the child support program.

level. Additionally, the Health Insurance Marketplace offers child-only healthcare plans.

b. Enrollment in Coverage

U.S. residents have from October 1, 2013 until March 31, 2014 to sign up for coverage on a Health Insurance Marketplace. This is known as the open enrollment period. After March 31, 2014, individuals will only be able to sign up for new or different coverage through a Marketplace during the next open enrollment period, or if there has been a qualifying life event.<sup>21</sup> Individuals can submit an application for health coverage outside of a Health Insurance Marketplace, or apply for Medicaid or CHIP, at any time of the year.

4. Medicaid Expansion and Changes

a. Expansion of Medicaid Eligibility

Prior to the implementation of the ACA, the system for determining if a person was eligible for Medicaid varied from state to state. It involved calculations of income and assets, as well as “disregards”<sup>22</sup> of income and assets that varied for different populations.

The ACA streamlines and unifies the system for determining eligibility across all states. States are required to use the Modified Adjusted Gross Income (MAGI) tax rules, which are also used by the Health Insurance Marketplaces to determine eligibility for Marketplace premium tax credits and cost-sharing reductions.

Under the MAGI rules, there is one standard 5 percent disregard for most populations. This means that a person’s income can be up to 138 percent of the federal poverty level, but once the 5 percent of his/her income is disregarded, (s)he will meet the 133 percent of the federal poverty level income threshold for Medicaid eligibility. MAGI rules also change the sources of income that count and do not count for eligibility determinations (e.g., assets no longer count) and how family size is determined.

The ACA, as enacted, required all states to expand Medicaid eligibility in January 2014 to individuals under age 65 with incomes up to 133 percent of the federal poverty level. The federal government will pay for almost all of the initial costs of that expansion. In 2012, the U.S. Supreme Court ruled that states could not be required to expand Medicaid, and therefore the expansion would be optional for each state.

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<sup>21</sup> Ref: [www.healthcare.gov](http://www.healthcare.gov) for more information on open enrollment periods and qualifying life events.

<sup>22</sup> “Disregarding” income or assets means not counting it for the purposes of determining eligibility.

On August 27, 2013, Michigan passed legislation to expand the Medicaid program in Michigan. The expansion, called “Healthy Michigan,” is intended to cover individuals aged 19 to 65 with no dependent children. Healthy Michigan went into effect on April 1, 2014. Children are not included in the population eligible for the Healthy Michigan program, and will be enrolled in other Medicaid programs if they are eligible. At this time, OCS does not anticipate any impact (e.g., increased Bridges referral volume) to the child support program as a result of Healthy Michigan.

b. Medicaid Application Changes

The ACA also replaces the current Medicaid application. The federal application contains the questions that state Medicaid agencies are permitted to ask Medicaid applicants. States can choose to adopt the federal application, or they can create their own application. However, any state-created application must contain only the questions that are included on the federal application. Additionally, states cannot require applicants to use a state-created application when applying for Medicaid – applicants can apply through the Health Insurance Marketplace or by using the paper federal application.

State Medicaid agencies must request permission from CMS to add additional questions to the state-created application. Michigan has chosen to create its own application, the *Michigan Application for Health Coverage & Help Paying Costs* (DCH-1426).<sup>23</sup> Under the ACA, only questions about the applicant and the members of the applicant’s household can appear on the Medicaid application. This rule eliminates the ability to ask questions about a potential NCP (known as an “absent parent” in the assistance community).

Bridges functionality requires a group consisting of a parent, an absent parent, and a child in order to send a referral to the child support program for case establishment.<sup>24</sup> Because the DCH-1426 and the federal application do not gather information about the absent parent, OCS has been informed that Bridges will no longer send Medicaid-only referrals to the child support program after January 1, 2014.<sup>25</sup> However, Bridges will continue to send referrals for other referable assistance programs to the child support program since the application for other services still gathers the required information

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<sup>23</sup> The DCH-1426 is available on the [Michigan Department of Community Health \(MDCH\) website](#). Applicants may request that Department of Human Services (DHS) or MDCH staff print out a paper copy of the DCH-1426.

<sup>24</sup> Ref: [Section 2.05, “Referrals and Applications,” of the Michigan IV-D Child Support Manual](#) for more information.

<sup>25</sup> The federal Office of Child Support Enforcement (OCSE) has published information regarding issues with the Medicaid application. IV-D agencies are encouraged to work with Medicaid agencies in order to prevent inappropriate referrals being sent to the IV-D agency. Inappropriate referrals include referrals that do not include sufficient information to identify an NCP. Ref: [OCSE Information Memorandum \(IM\) 14-01, Medicaid Referrals to the IV-D Agency](#).

about the absent parent. Additionally, if the family receives Medicaid **and** other assistance programs, the child support program will receive referrals.

MDCH intends to ask permission from CMS to add questions about the absent parent to the DCH-1426. MDCH estimates that the questions will be approved and added to the DCH-1426 and online application (through MiBridges). At that time, MDCH intends to request an update to Bridges' functionality, and Bridges will again submit referrals for Medicaid-only cases to the child support program. OCS will notify IV-D staff when MDCH determines an implementation date.

Michigan's Health Insurance Marketplace uses the federal application, which will **not** be modified to include any new questions requested by Michigan. Consequently, Bridges will not send referrals to child support for applications received through the Health Insurance Marketplace.

As of the publication of this memorandum, the DCH-1426 and Bridges corresponding functionality for issuing or not issuing IV-D referrals are still under consideration and development. OCS will notify IV-D staff when these modifications are formally scheduled and/or imminent.

c. Noncooperation in a Medicaid-Only Case

An issue with cooperation/noncooperation<sup>26</sup> was discovered with the implementation of changes to Bridges. At this time, in a Medicaid-only case, when a support specialist sends information about an applicant's noncooperation to Bridges, Bridges will not use this information to disqualify the case.

This failure to apply disqualifications to Medicaid cases for child support noncooperation occurs for two reasons:

- 1) Under the ACA, eligibility is determined under the MAGI requirements. These requirements are applied by another automated system, not Bridges. However, recipients of Medicaid are recorded in Bridges. Since Bridges is not the system that determines whether or not a family meets the MAGI requirements, it is not the system authorized to disqualify a family for Medicaid.
- 2) MAGI requirements do not include child support cooperation requirements. Consequently, even if support specialists notified the automated system authorized to apply MAGI requirements of the

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<sup>26</sup> Ref: [Section 2.15, "Cooperation/Noncooperation/Good Cause," of the Michigan IV-D Child Support Manual](#) for more information about cooperation/noncooperation with the child support program.

noncooperation, the system is unable to disqualify the family for reasons of child support noncooperation.

OCS will notify IV-D staff when a solution to this issue is implemented. Until then, IV-D staff will continue to apply cooperation and noncooperation status as directed in IV-D policy materials.

Note: If noncooperation occurs in a case in which the family receives Medicaid **and** other benefits, Bridges will apply the disqualifications to those other benefits (e.g., cash assistance,<sup>27</sup> food assistance).

#### d. Medicaid Application Process in Michigan

Michigan residents have four ways to apply for Medicaid:

- The Health Insurance Marketplace (which uses the online federal application);
- The online Michigan application (through MiBridges);
- The paper federal application; and
- The DCH-1426 that will be available online and at all DHS and MDCH offices.

As of February 1, 2014, applicants will no longer use the *Assistance Application* (DHS-1171) to apply for Medicaid coverage. MDCH has removed all questions pertaining to Medicaid assistance from the DHS-1171. Individuals who want to apply for benefits (FIP, food assistance, etc.) in addition to Medicaid will be required to complete the DHS-1171 and a Medicaid application (DCH-1426, online through MiBridges, or through the Health Insurance Marketplace). MDCH and DHS intend to provide a single, multi-benefit application in the future. OCS will announce the publication of any new forms when the forms become available.

## B. The ACA and IV-D Program Goals

The ACA does not change Title IV-D of the Social Security Act or its accompanying regulations. This means that Michigan's IV-D program is not required to make any changes to the way it establishes, enforces or modifies medical support orders. However, there are steps that Michigan IV-D partners may take to help align the goals of the IV-D program, the Michigan Child Support Program Strategic Plan, and the ACA.

### 1. Enforcement of Healthcare Coverage

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<sup>27</sup> Family Independence Program (FIP)

The ACA does not change any healthcare coverage enforcement requirements for the IV-D program. Also, as described above, the tax penalty does not affect the IV-D program. Federal law requires child support orders to include a provision for healthcare coverage. FOC staff must continue to enforce these healthcare coverage provisions, including the continued use of NMSNs.<sup>28</sup> FOC staff can help parties comply with their order by explaining that they may be able to satisfy their healthcare coverage requirements by enrolling for coverage through the Marketplace.

## 2. Establishment and Modification of Medical Support Orders

[The Michigan Child Support Program Strategic Plan for 2013-2017](#) outlines several strategic goals for the next five years. IV-D staff can help work toward some of these goals by considering the requirements and limitations of the individual mandate and by following the steps that the [2013 Michigan Child Support Formula Supplement](#) lists for IV-D staff when determining which parent should be ordered to maintain healthcare coverage.

### a. Streamline Services and Eliminate Redundancy

The business process goal of the Strategic Plan calls for the IV-D program to streamline services and eliminate redundancy. IV-D staff are encouraged to consider the following<sup>29</sup> when establishing or modifying medical support orders:

- Do the parents agree who should maintain the children's coverage?
- Does only one parent have coverage available through employment or self-employment?
- If only one parent has coverage available through employment, is the parent's coverage at or below the reasonable cost of coverage?
- If both parents have coverage available through employment:
  - Does either parent's coverage exceed the reasonable cost of coverage?
  - Does the child have special healthcare needs that one plan covers better?
- If neither parent has coverage available through employment at a reasonable cost, are there other coverage options available to either parent?
- If other coverage options are available to either parent, which parent would be better suited to obtain the other options?

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<sup>28</sup> Ref: Section 6.06 of the *Michigan IV-D Child Support Manual* for more information.

<sup>29</sup> Ref: Section 3.02, "Determining Which Parent Should Maintain Health Care Coverage" of the 2013 Michigan Child Support Formula Supplement for more information.

In addition to the above factors, knowing the ACA link between claiming a child for tax purposes and the individual mandate requirements, IV-D staff may wish to ask which parent will claim the child prior to establishing or modifying support orders.

The 2013 Michigan Child Support Formula Supplement also instructs IV-D staff to avoid requiring both parties to provide coverage since it can lead to duplicate coverage, extra costs, and unnecessary enforcement actions.

Once IV-D staff determine which parent is in the best position to provide healthcare coverage for his/her child, they can seek to set the medical support order accordingly.

b. Evaluate and Respond to Change to Maximize Compliance

The support payment goal of the Strategic Plan calls for the IV-D program to evaluate and respond to social, legal, technological, and economic changes to maximize compliance. IV-D workers can help ensure parents can comply with medical support orders by determining which parent is in the best position to provide healthcare under the rules of the ACA.

Under the requirements of the ACA and the requirements of many court orders, cost and the inability to receive tax credits may present a barrier to some parents seeking to provide healthcare coverage for their children. Parents can cover their child(ren) under a qualified health plan, but they are not eligible for the premium tax credit to offset the cost of coverage unless the enrolling parent can legitimately claim the child(ren) as a dependent on his/her federal income tax filing.<sup>30</sup> Additionally, only the CP may enroll the child in Medicaid.

An NCP living in a different state from his/her child is not allowed to enroll the child in a state healthcare coverage plan outside the child's home state; (s)he must enroll the child using the Marketplace in the child's home state. This is true even if the NCP claims the child as a dependent.

By considering these factors, IV-D workers will streamline the requirements that parents have under both the court order and under the ACA by helping parents find coverage for their children to satisfy the court order and the individual mandate.

c. Provide Excellent Customer Service

The customer service goal of the Strategic Plan calls for the IV-D program to establish a "How can I help you?" attitude and provide respectful and

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<sup>30</sup> Ref: Question and answer 4, 5 and 20 in [Exhibit 2014-005E1, Affordable Care Act \(ACA\) Frequently Asked Questions \(FAQs\) for IV-D Workers](#) for further information.

knowledgeable customer service. OCS encourages IV-D staff to direct parents to the Health Insurance Marketplace to obtain healthcare for their children. By doing this, IV-D workers will provide excellent service to customers, and help them understand and navigate their responsibilities under their child support order.

**NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. This IV-D Memorandum and its attached exhibit replace and obsolete IV-D Memorandum 2013-026 and Exhibit 2013-026E1, published on October 17, 2013.

**REVIEW PARTICIPANTS:**

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Enforcement Work Improvement Team  
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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
45 Code of Federal Regulations (CFR) 303.31  
Public Law 111-148

OCSE IM14-01

State  
None

**ATTACHMENT:**

2014-005E1: Affordable Care Act (ACA) Frequently Asked Questions (FAQs) for IV-D Workers

**EPF/AER**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-007**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** September 29, 2014

**SUBJECT:** Updates to *Michigan IV-D Child Support Manual* Section 2.20, "Court Action Referrals (CARs)" Including Service of Process Information

<p><b>UPDATE(S):</b></p> <p><input checked="" type="checkbox"/> Manual</p> <p><input type="checkbox"/> Form(s)</p>
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**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** October 1, 2014

**PURPOSE:**

This IV-D Memorandum announces revisions to Section 2.20, "Court Action Referrals (CARs)," of the *Michigan IV-D Child Support Manual*. Section 2.20 includes updated information regarding:

- The definition of due diligence as it relates to service of process (SOP);
- When an SOP summons extension (permitted pursuant to Michigan Court Rule 2.102[D]) might qualify for due diligence; and
- CAR compliance dates and federal expiration dates and how they are used based on policy previously published in IV-D Memorandum 2014-014, *Self-Assessment (SASS) Audit – Establishment of Paternity and Support Order (Establishment) Program Compliance Criteria Corrective Action Plan (CAP)*.<sup>1</sup>

Section 2.20 also includes clarifications regarding the criteria for IV-D case closure in MiCSES when non-custodial parents (NCPs) are not located.

<sup>1</sup> Functionality for monitoring the federal timeframe for SOP was implemented in the Michigan Child Support Enforcement System (MiCSES) with the MiCSES 8.6 Release (December 6, 2013).

In addition, this IV-D Memorandum introduces updates to Exhibit 2.20E1, CAR – Court Action Referral Status, to reflect a change made to one of the CAR statuses.

The SOP information in Section 2.20 will be moved to Section 4.15, “Service of Process” in a future publication of that manual section.

This publication of Section 2.20 supersedes previously published SOP policy in:

- The *Prosecuting Attorney Handbook*, PAH 220, *State Guidelines for Service of Process*; and
- The *Friend of the Court Manual*, FOC 400, *Enforcement Requirements and Timeframes*.

Significant changes to Section 2.20 and Exhibit 2.20E1 since their last publication are identified with a change bar in the right margin. Formatting changes are not identified with change bars. Content incorporated into Section 2.20 from IV-D Memorandum 2014-014 is not identified with a change bar unless it has significant changes.

## **DISCUSSION:**

Federal regulations<sup>2</sup> require that the state establish guidelines defining diligent efforts to serve process. Those guidelines must include requirements for periodically repeating SOP attempts in cases in which previous attempts have failed but adequate identifying and location information exists. Unsuccessful attempts to serve process in accordance with state guidelines must be documented.

IV-D workers must meet the federal SOP requirements<sup>3</sup> by taking any of the following actions within 90 days:

- Establishing a support order;
- Successfully completing SOP; or
- Satisfying the Michigan IV-D program’s due diligence requirements.

## **Due Diligence Definition**

Previously published policy defined due diligence as either successfully completing SOP or three unsuccessful SOP attempts within a 90-day period. PA staff expressed concerns with this definition of due diligence because there are limited circumstances where the NCP is located, but SOP is not possible in 90 days; therefore, an extended time period may be required. In an effort to balance the federal requirements for timely SOP and a potential need for an SOP timeframe extension allowed by MCR 2.102(D), the Michigan IV-D program now defines due diligence as:

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<sup>2</sup> Ref: 45 Code of Federal Regulations (CFR) 303.3(c).

<sup>3</sup> Ref: 45 CFR 303.4(d).

- A minimum of three unsuccessful SOP attempts within a 90-day period documented in MiCSES; or
- Application of a IV-D-qualifying summons extension as explained in Subsection 3.2.2 of manual section 2.20.

Note: Not all court-ordered extensions will meet the IV-D definition of a “qualifying” summons extension.

### **Valid Summons Extension Guidelines**

There may be a situation where the NCP’s location is known, but SOP may not be possible within the 90-day timeframe. In this situation, PA workers may choose to request that the court grant an order to extend the time period to serve the summons and complaint.<sup>4</sup> The PA worker may have other reasons to request a summons extension; however, a summons extension will qualify as meeting the Michigan IV-D program’s due diligence standard **only** if it meets all of the criteria below:

- Despite the individual being located, there is a reasonable belief that (s)he cannot be served within 90 days (for example, the individual works for long periods of time in a remote area, like an oil rig);
- An alternative method of SOP is not feasible; and
- A judge has issued an order extending the summons.

For these situations, IV-D workers **must only** use the *Extension?* field<sup>5</sup> on the *Service of Process* (LSOP) screen to indicate that a judge has granted an extension for the summons **and** the criteria listed above are met. Checking the field allows IV-D staff to enter the new expiration date in the *Summons Expiration Date* field on the LSOP screen.

Section 2.20 details the steps that IV-D staff must take to document a valid summons extension in MiCSES.

Since the new due diligence guidelines do not go into effect until October 1, 2014, previously extended summons expiration dates that cross over this date into the new fiscal year require proper notes on the *Notes Processor* (NOTE) screen to pass next year’s SASS audit. IV-D staff must review IV-D cases that meet this condition and verify that a note detailing the valid reason for an extended summons exists, or they must create a new note with the proper information.

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<sup>4</sup> A summons extension may be granted by the court at the request of a party on the case according to MCR 2.102(D).

<sup>5</sup> The MiCSES 8.6 Release on December 6, 2013 added several new fields to the LSOP screen’s Service of Process section, including the *Federal Expiration Date*, *Locate Status*, and *Extension?* fields, and it made *Summons Expiration Date* an editable field.

## **CAR Compliance Dates and Federal Expiration Dates**

The *Federal Expiration Date* field on the LSOP screen displays the date that federal regulations require due diligence to be satisfied for SOP. MiCSES calculates this date as the *Legal Case* (LCSE) screen's *CAR Compliance Begin Dt* plus 90 days, or the NCP's *Locate* date plus 90 days, whichever is later.

The LCSE screen's *CAR Compliance Dt* field and the LSOP screen's *Federal Expiration Date* field are initially populated after the first location of the NCP and do not change if the NCP becomes not located. However, when the NCP is relocated, then the LSOP screen's *Federal Expiration Date* field is recalculated with the *Locate* date plus 90 days.

The LSOP screen's *Locate Status* field displays the selected party's *Locate* status from the *Member Demographics* (DEMO) screen.

The 90-day SOP timeframe policy discussion from Section D, "Establishment Criteria – Federal Regulations and Timeframes," of IV-D Memorandum 2014-014 was incorporated into Section 2.20.

## **Case Closure Criteria When an NCP Is Not Located**

Section 2.20 was updated to clarify when MiCSES will automatically close a IV-D case when an NCP is not located for a period of time. MiCSES will use:

- A reason code of "LX" when an NCP is not located for three years and (s)he has a known Social Security number (SSN) **and/or** a date of birth; or
- A reason code of "LZ" when an NCP is not located in one year and (s)he is missing **both** an SSN and a date of birth.

## **IVR Phone Number Updates**

Section 2.20 was updated to provide current information for the support specialist Interactive Voice Response (IVR) system.

## **Updates to Exhibit 2.20E1**

When a PA worker transfers a CAR to another PA office due to a change in venue, the PA worker must use the "Z – Withdrawn by Specialist" CAR status code. This will close the original CAR in MiCSES. Exhibit 2.20E1, which previously listed the "Z – Withdrawn by Specialist" CAR status code in the "Pending CAR Statuses" column, now lists the "Z" CAR status in the "Closed CAR Statuses" column to accurately reflect this information. Additionally, the note on Page 2 explaining that a MiCSES Help Desk Ticket had been entered to change the descriptions of the "Y" and "Z" CAR status codes has been removed.

**NECESSARY ACTION:**

For those maintaining a hard copy of the *Michigan IV-D Child Support Manual*, print manual Section 2.20 and Exhibit 2.20E1 and add them to the manual. Discard the previously published versions of Section 2.20 and Exhibit 2.20E1 (published September 12, 2011).

**REVIEW PARTICIPANTS:**

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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
45 CFR 303.3(c)  
45 CFR 303.4(d)

State  
MCR 2.102(D)

**ATTACHMENTS:**

Section 2.20:	Court Action Referrals (CARs)
2.20E1:	CAR – Court Action Referral Status

**EPF/JFH**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

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DIRECTOR

### IV-D MEMORANDUM 2014-008

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff  
MSHDA Gatekeepers

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** September 3, 2014

**SUBJECT:** Introduction of the Child Support Verification Tool (CSVT) and  
Incorporation of e1201 Policy into Section 1.35, "MiCase," of the  
*Michigan IV-D Child Support Manual*

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** September 8, 2014

#### **PURPOSE:**

This IV-D Memorandum introduces the Child Support Verification Tool (CSVT), which staff of the Michigan State Housing Development Authority and its contracted partners (MSHDA housing representatives)<sup>1</sup> will access through the [MiCase portal](#).<sup>2</sup> The CSVT provides MSHDA housing representatives with a simple, automated way to verify the child support payments received by housing assistance applicants and participants.

This IV-D Memorandum also introduces updates to Section 1.35, "MiCase," of the *Michigan IV-D Child Support Manual*. These updates include:

- A brief introduction regarding the MiCase portal;
- Descriptions of the applications accessible through the MiCase portal;
- Policy incorporated from IV-D Memorandum 2013-019, *Implementation and Soft Launch of the Online IV-D Child Support Services Application/Referral (e1201)* and

<sup>1</sup> MSHDA contracts with private businesses, non-profits, and local governments to build, own, and operate low- and moderate-income rental housing developments and/or housing programs. While privately owned and managed, these contractors offer subsidies and other rental assistance options to low- and moderate-income individuals and families.

<sup>2</sup> A portal is a starting website through which users can access other places on the Internet.

#### **UPDATE(S):**

Manual

Form(s)

IV-D Memorandum 2014-006, *Statewide Implementation of the Online IV-D Child Support Services Application/Referral (e1201)*; and

- Detailed information regarding the CSVT.

Significant changes in content since the last publication of Section 1.35 are indicated by a change bar in the right margin. Some of the content has been reorganized; however, reorganized subsections are not identified with change bars. New subsections incorporated from prior IV-D Memorandums are not identified with change bars unless they have policy changes.

## **DISCUSSION:**

### **A. Background and Development**

MSHDA is a housing authority that administers federally funded housing assistance programs. Federal regulations require housing assistance applicants and participants to sign a release permitting MSHDA housing representatives to verify income information with third parties.<sup>3</sup> MSHDA housing representatives must verify the income of an applicant or participant:

- When (s)he applies for housing assistance;
- Annually, to redetermine the participant's eligibility for housing assistance; and
- As needed, when there is a change in household composition or a participant receives new income.

Prior to implementation of the CSVT, MSHDA housing representatives verified applicant and participant child support income by sending paper verification forms to OCS Central Operations or FOC offices. Concerns over non-reporting of child support income and the practicality of the paper verification process led OCS and MSHDA to enter into a written data-sharing agreement<sup>4</sup> and develop the CSVT.

The CSVT supports the Michigan Child Support Program's 2013-2017 Strategic Plan goals by using innovative technology to improve business processes and customer service. The CSVT will:

- Help ease the administrative burden on FOC and OCS Central Operations staff by reducing the number of paper income verifications they would otherwise receive;
- Reduce non-reporting of child support income by allowing MSHDA housing representatives real-time access to accurate child support payments received; and
- Help IV-D members who have applied for housing assistance by streamlining the income verification process.

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<sup>3</sup> 24 Code of Federal Regulations (CFR) 5.236; 24 CFR 5.659; 26 CFR 1.42-5

<sup>4</sup> The OCS/MSHDA data-sharing agreement formally documents each party's responsibilities regarding their data-sharing activities and use of the tool.

## B. CSVT User Roles

The CSVT will become active on the MiCase portal on September 8, 2014. It will permit a limited group of MSHDA housing representatives to verify the child support payments received by housing assistance applicants.<sup>5</sup> Special MiCase roles have been created for use by MSHDA housing representatives and OCS staff to access the CSVT. While all CSVT users will be able to log into the MiCase portal, each user's role will determine the screens and functionality (s)he may access in the CSVT.

The CSVT user roles are described below.

- **OCS Auditor.** The OCS Auditor is an administrator role assigned to a limited number of OCS Program Development Division (PDD) staff. The OCS Auditor may view and print reports that document CSVT user activity and user accounts. The OCS Auditor will use the reports to detect and deter improper use of the CSVT. The OCS Auditor also may perform child support verification queries, but cannot create or manage user accounts.
- **MSHDA Gatekeeper.** The MSHDA Gatekeeper role is available only to four MSHDA employees. MSHDA Gatekeepers may create and delete MSHDA User<sup>6</sup> accounts. They may also update MSHDA User account information. In addition to those administrative functions, the MSHDA Gatekeeper may also perform child support verification queries and retrieve a report of each query's results. As with the OCS Auditor role, the MSHDA Gatekeeper may also view and print reports related to oversight of CSVT user activity and user accounts.
- **MSHDA User.** Authorized MSHDA housing representatives will be assigned the MSHDA User role. MSHDA Users may query a very limited subset of child support payment information and retrieve a report of each query's results. The CSVT will closely track user activity for auditing purposes, and OCS and MSHDA will regularly audit user activity to deter and detect improper system use.

## C. CSVT Access and Usage

By mutual agreement, OCS and MSHDA have split responsibility for providing access to the CSVT. OCS will review and approve requests for the OCS Auditor and MSHDA Gatekeeper roles using an OCS system access process and security

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<sup>5</sup> FOC and OCS Central Operations may still receive paper verifications from public housing authorities that are not affiliated with MSHDA.

<sup>6</sup> "MSHDA User" is another type of CSVT user role.

forms.<sup>7</sup> However, OCS has delegated responsibility to MSHDA to review and approve requests for the MSHDA User role.<sup>8</sup>

OCS has provided CSVT access to MSHDA housing representatives solely for the purposes of verifying child support payments received by housing assistance applicants and participants and maintaining accurate records related to the housing assistance process. OCS, in coordination with MSHDA, will periodically audit CSVT user activity to ensure usage is appropriate and to confirm MSHDA compliance with its responsibilities under MSHDA's data-sharing agreement with OCS.

#### **D. Updates to Section 1.35, "MiCase"**

Section 1.35 has been updated with an introduction to the MiCase website's current status as a web portal. The introduction also lists the applications currently available through the MiCase portal: MiCase, the online application for child support services (e1201), and the CSVT. Section 1.35 does not contain any changes to MiCase policy, but it now includes existing e1201 policy and new CSVT policy.

##### **1. Existing e1201 Policy**

Section 1.35 incorporates e1201 policy from IV-D Memorandums 2013-019 and 2014-006. It describes how users will access the e1201 application on the MiCase portal. In addition, it explains:

- The minimum information that applicants must provide on the e1201;
- Submitting, printing, and tracking of e1201s; and
- Processing the online DHS-1201(s) that results from the completed e1201.

Additional e1201 policy from IV-D Memorandum 2014-006 has been incorporated into Section 2.05, "Referrals and Applications," of the *Michigan IV-D Child Support Manual*. Section 2.05 has been updated on mi-support.

##### **2. New CSVT Policy**

Section 1.35 has also been updated with detailed information on the CSVT, including:

- An overview of the CSVT and the reasons for its creation;
- Descriptions of CSVT user roles, including who is permitted to request those roles, the intended use of each user role, and the privileges of each user role;
- How designated OCS and MSHDA housing representatives request access to the CSVT; and

---

<sup>7</sup> IV-D program security forms have been updated with fields related to the CSVT with the publication of [IV-D Memorandum 2014-009, Updates to Michigan Child Support Manual Section 1.10, "Confidentiality/Security."](#)

<sup>8</sup> MSHDA Gatekeepers will review and approve requests for the MSHDA User role.

- The responsibilities of MSHDA and OCS regarding the periodic auditing of CSVT user activity.

### **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. Review the updates to Section 1.35 of the *Michigan IV-D Child Support Manual*; change bars indicate significant updates. For those maintaining a hard copy of the manual, print the manual section and add it to the manual. Discard the previously published version of Section 1.35 (published October 4, 2013).

With this publication of Section 1.35, the following items are obsolete:

- IV-D Memorandum 2014-006, *Statewide Implementation of the Online IV-D Child Support Services Application/Referral (e1201)*; and
- IV-D Memorandum 2013-019, *Implementation and Soft Launch of the Online IV-D Child Support Services Application/Referral (e1201)* and its exhibit, 2013-019E1.

### **REVIEW PARTICIPANTS:**

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**SUPPORTING REFERENCES:**

Federal

24 CFR 5.236

24 CFR 5.659

26 CFR 1.42-5

State

None

**ATTACHMENT:**

Section 1.35:

MiCase

**EPF/KZM**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-010

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** March 20, 2014

**SUBJECT:** Revisions to the *Interstate Notice of Lien* (FEN060)

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

#### PURPOSE:

This IV-D Memorandum announces minor revisions to the *Interstate Notice of Lien* (FEN060)<sup>1</sup> and its accompanying instructions. The revised FEN060 will be available in the Michigan Child Support Enforcement System (MiCSES) after 5 p.m. on March 21, 2014.

#### DISCUSSION:

The federal Office of Child Support Enforcement (OCSE) announced revisions to the federal version of the *Interstate Notice of Lien* on December 20, 2013.<sup>2</sup> OCSE changed the expiration date from 05/31/2014 to 12/31/2016. OCS has modified the FEN060 with the new expiration date to match the federal version of the form. Additionally, OCS has made the following changes to the FEN060:

- The text "TO:" has been added, and MiCSES will generate the financial institution's name and address after the "TO:";
- The formatting of the obligor's date of birth and Social Security number (SSN) has been changed as a security precaution to prevent the obligor's SSN from

<sup>1</sup> Ref: [Section 6.27, "Liens – FIDM/MSFIDM," of the Michigan IV-D Child Support Manual](#) for information regarding the use of the FEN060.

<sup>2</sup> Ref: [OCSE Action Transmittal \(AT\)-13-05, Administrative Subpoena and Notice of Lien Forms – expiring December 31, 2016.](#)

#### UPDATE(S):

Manual

Form(s)

being displayed when the financial institution forwards the form to the obligor;  
and

- The text “B. [ ] For non-IV-D use” has been removed because the form is being sent by a IV-D agency.

The form instructions are not included with the FEN060 in MiCSES, but IV-D workers may access them on [OCSE's website](#). OCSE added to the instructions:

- The sentence “Verify that you are entering the correct date for the order that is being used to determine the amount of the lien” to instruction 6;
- A note after instruction 9 that states: “NOTE: Instructions 6, 7, 8 and 9 should reference the same order”; and
- Instruction 12a which states: “Since all liens are not recorded and returned to the sender, only follow this instruction if applicable.”

### **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. The updated FEN060 (Rev. 03/14) replaces the previous version of the FEN060 (Rev. 09/13), which was published with IV-D Memorandum 2013-015.

### **REVIEW PARTICIPANTS:**

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Program Leadership Group

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### **CC:**

None

### **ATTACHMENT:**

FEN060: *Interstate Notice of Lien*

### **EPF/AER**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-011**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** April 21, 2014

**SUBJECT:** Interim Policy for Child Welfare Referrals From the Michigan  
Statewide Automated Child Welfare Information System  
(MiSACWIS)

<p><b>UPDATE(S):</b></p> <p><input type="checkbox"/> Manual</p> <p><input type="checkbox"/> Form(s)</p>
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**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** April 30, 2014

**PURPOSE:**

This IV-D Memorandum provides procedures for IV-D workers in response to the new MiSACWIS, which is currently scheduled for implementation on April 30, 2014. IV-D staff responsible for IV-D child welfare cases and financial management are encouraged to read this memorandum in its entirety **before** April 30, 2014. OCS will conduct a webinar on April 24, 2014 to give an overview of the MiSACWIS/MiCSES<sup>1</sup> interface and its effects on foster care case processing in MiCSES.<sup>2</sup> OCS suggests that staff monitor their email in the coming weeks for additional instructional material and opportunities to learn more about MiSACWIS.

This memorandum supplements existing policy in the *Michigan IV-D Child Support Manual*.<sup>3</sup> This interim policy is necessary because OCS and the child welfare agency have not completed the testing process for the joint electronic interface between

<sup>1</sup> Michigan Child Support Enforcement System

<sup>2</sup> To register for the webinar, IV-D staff may access [Training > Courses](#) on mi-support. The webinar will also be recorded so it can be viewed at a later time.

<sup>3</sup> Ref: [Section 2.85, "Foster Care – Case Initiation,"](#) [Section 3.85, "Foster Care – Case Management,"](#) [Section 4.85, "Foster Care – Establishment,"](#) and [Section 5.85, "Foster Care – Financial,"](#) of the *Michigan IV-D Child Support Manual*.

MiCSES and MiSACWIS.<sup>4</sup> MiCSES **will not** enable any of the previously built automated processes planned for the joint interface. Therefore, this memorandum explains the manual steps that IV-D staff must take until the joint interface is fully and successfully tested. OCS will revise the *Michigan IV-D Child Support Manual* at a later date to incorporate content in this memorandum as well as additional necessary policy changes.

**DISCUSSION:**

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<sup>4</sup> Ref: [IV-D Memorandum 2013-011, Status of the Michigan Child Support Enforcement System \(MiCSES\) / Michigan Statewide Automated Child Welfare Information System \(MiSACWIS\) Interface.](#)

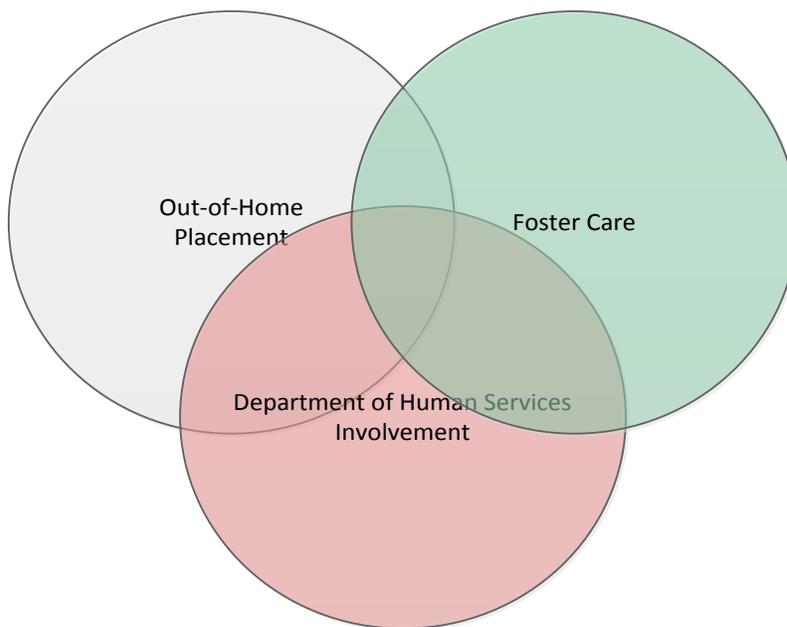
**1. Overview**

Michigan’s Department of Human Services (DHS) provides a range of services to children who are at risk of harm, who are delinquent,<sup>5</sup> or whose parents or other caretakers voluntarily seek short-term care for their children. Those services range from child protective services (CPS) investigations to counseling, foster care, juvenile justice, and adoption support.

Foster care covers a variety of services provided by DHS for children removed from their living arrangement by a court, as well as in-home services such as therapy, counseling, or parental training sessions.

Out-of-home placement occurs when a court removes a child from his/her living arrangement. Not all out-of-home placements place a child with DHS; the court may directly appoint a new caretaker for the child.

DHS services, foster care, and out-of-home placement combine when a court removes a child from his/her living arrangement and places that child in the care and custody of DHS. This circumstance is termed an “agency placement.”



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<sup>5</sup> Minor children are considered to be delinquent if they are juvenile offenders who have been removed from their home due to an ongoing case within the juvenile justice system.

This memorandum addresses only agency placement in which:

- The court removes the child from the home;
- The court places the child with DHS; and
- DHS provides foster care services (the intersection of all three in the above diagram).

DHS began working on a replacement to the Services Worker Support System Foster Care, Adoption, and Juvenile Justice (SWSS FAJ) in 2011 to improve service delivery for children. On April 30, 2014, DHS will implement its new system, MiSACWIS, in accordance with the [Dwayne B. v Snyder](#) modified settlement agreement and consent order.

During the development of MiSACWIS, OCS conferred with DHS staff and MiSACWIS technical staff to discuss collaboration between Michigan's child support and child welfare programs. OCS, MiCSES staff, and IV-D partners in PA and FOC offices jointly worked on MiCSES designs for a two-way interface that would:

- **Match MiSACWIS persons** – The member-matching method in place for matching Bridges members,<sup>6</sup> which has a 98 percent success rate, would match referred children and parents to MiCSES members;
- **Match MiSACWIS cases** – MiCSES would find agency placement IV-D cases (cases in which the custodial party [CP] is DHS)<sup>7</sup> corresponding to the referred family;
- **Automatically start IV-D cases** – MiCSES would create new IV-D cases as needed and initiate workflow activities for support specialists;
- **Apply assistance to relevant<sup>8</sup> IV-D cases** – MiCSES would automatically record assistance applicable to relevant IV-D cases – both the agency placement IV-D case and the pre-placement IV-D case that existed prior to removal of the child from his/her living arrangement;
- **Alert IV-D staff** – MiCSES would automatically alert IV-D staff in all offices when children enter agency placement, when their placement changes, and when they leave agency placement; and
- **Clarify child support assignment** – An array of living arrangements, legal statuses, and funding sources would be replaced by a single *Pay To* indicator. The *Pay To* indicator directs IV-D staff to assign support to the state or county. Information about unlicensed foster care providers that would allow IV-D staff to redirect child support to those providers would be stored as other party (OTHP) records in MiCSES.

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<sup>6</sup> Ref: [Section 2.05, "Referrals and Applications," of the Michigan IV-D Child Support Manual](#), Subsection 4.4.3, "Matching MiCSES Individuals to Bridges Individuals."

<sup>7</sup> Ref: [Section 3.03, "Case Updates and Member Demographics," of the Michigan IV-D Child Support Manual](#).

<sup>8</sup> Ref: Section 5.1 of this memorandum for information on relevance.

This memorandum introduces several new acronyms and terms that pertain to MiSACWIS and agency placement referrals for child support services.<sup>9</sup>

## 2. Contingency Planning

OCS and the child welfare agency have not completed the testing process for the joint interface between MiCSES and MiSACWIS.<sup>10</sup> The quality and reliability of MiSACWIS data is unproven at this time.

As a result, a contingency planning group comprised of OCS staff and MiCSES analysts met to discuss possible solutions for processing MiSACWIS/MiCSES data. The group identified system, policy and operational actions to mitigate the effect on IV-D staff and families served by the IV-D program.

The planned future interface is designed to automatically respond to MiSACWIS referrals and referral updates with actions ranging from case and member creation to financial reactions and federal reporting. However, the contingency planning group found that during the time MiSACWIS referrals are untested, it will be more efficient to manually take these steps than to rely on automatic processing that may not be accurate.

Consequently, MiCSES will store MiSACWIS referral information on the *SACWIS Case Information* (SCWS) screen<sup>11</sup> and take no further action. MiCSES will not take any of the automatic actions described in the “Overview” section above. Referral information and referral update information will remain on the SCWS screen for reference by IV-D workers.

### 2.1 MiSACWIS Conversion

DHS will disconnect the current foster care system, SWSS FAJ, on April 24, 2014. SWSS FAJ will send no further referrals to MiCSES after April 24, 2014. DHS will activate MiSACWIS on April 30, 2014. As part of this process, SWSS FAJ will transfer the existing agency placement cases to MiSACWIS. MiSACWIS will send conversion files to MiCSES, and MiCSES will update the SCWS screen with all existing agency placement cases as of April 30, 2014. SWSS FAJ will no longer populate the currently used *DHS Transaction Inquiry* (FIAT) screen or the *Pending Referrals* (CPDR) screen with information on agency placement cases. OCS staff may still refer to the CPDR screen for pre-conversion referral information.

The child welfare agency will no longer use the *Foster Care/Juvenile Justice Ward Benefit Eligibility Record* (DHS-3205) to communicate with OCS. IV-D

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<sup>9</sup> Ref: the [Michigan Child Support Program Glossary on mi-support](#).

<sup>10</sup> Ref: IV-D Memorandum 2013-011.

<sup>11</sup> MiCSES introduced this screen with the MiCSES 8.3 Release (February 2013). Ref: the [MiCSES 8.3 Release Notes](#).

workers must follow the new steps outlined in this memorandum to process child welfare referrals.

#### 2.1.1 SWSS FAJ/MiSACWIS Cross-Reference File

During the transition from SWSS FAJ to MiSACWIS, MiSACWIS will send MiCSES a cross-reference file containing the SWSS FAJ identification numbers, Bridges Assistance Individual IDs (AI-IDs), and MiSACWIS Person IDs for all:

- Children receiving child welfare services;
- Parents of children receiving child welfare services; and
- Persons whom child welfare staff identify as potential permanent placements for each child.

MiCSES will use this information to create initial associations of members on the *Resolve Referral* (RESR) screen<sup>12</sup> in MiCSES. IV-D staff must still verify those associations as they work cases as described in Section 3, “Case Initiation and Referral Processing,” in this memorandum.

#### 2.1.2 Initial Population of Converted SWSS FAJ Cases

MiSACWIS will send MiCSES converted cases with children receiving child welfare services in situations where the child welfare agency seeks Title IV-D services.

Testing of conversion data is incomplete, and therefore OCS has decided that MiCSES will not fully process the initial conversion file. MiCSES will display the data from the conversion file on the SCWS screen and will not take any further action.

IV-D staff must take manual action on these cases as described in Section 3.6, “Child Welfare Case Processing,” through Section 9.3, “Closure As Requested by the Child Welfare Worker,” in this memorandum.

#### 2.1.3 Conversion and Assistance History Processes

Previously, OCS determined that SWSS FAJ assistance history would end in MiCSES, and MiSACWIS assistance history would begin at the time of conversion to MiSACWIS. However, due to incomplete joint interface testing, this will not occur. Until MiCSES and MiSACWIS have a

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<sup>12</sup> Ref: [MiCSES Screen Description: RESR – Resolve Referral](#).

fully-tested interface, or MiCSES receives sufficient data within the daily files, the following conditions will exist:

- A. The *AGP Details* tab (a tab originally designed to store MiSACWIS assistance history) on the *Member Assistance History* (MAHI) screen will not be functional; therefore, IV-D staff must manually enter MiSACWIS case assistance history on the *FC Legacy* tab (an existing tab that originally stored SWSS/FAJ assistance history) on the MAHI screen;
- B. MiCSES will not end-date existing SWSS assistance history (F/J records) automatically; and
- C. MiCSES will not associate the OTHP record of an unlicensed provider to an agency placement IV-D case.

## 2.2 Ongoing Daily Child Welfare Referrals

Until further notice, MiCSES will store MiSACWIS daily referral information on the SCWS screen and take no further action. MiCSES will not alert IV-D staff when new and updated MiSACWIS referral information arrives. IV-D staff may refer to the SCWS screen for referral information and referral update information.

IV-D staff must create an agency placement IV-D case when the child welfare agency issues maintenance payments on behalf of a child in the care and custody of DHS.

Due to data integrity issues, MiCSES may receive referrals for agency placement cases that do not receive foster care maintenance payments and are not eligible for IV-D services. MiCSES also may not receive appropriate referrals. IV-D workers will need to follow the manual instructions outlined in this memorandum for direction on how to validate a referral. Additionally, this memorandum outlines steps on how to get a referral sent to MiCSES if there is a situation in which a referral is missing from the SCWS screen.

## 2.3 Sources of Agency Placement Information

MiCSES is unable to notify IV-D staff of new agency placements or changes to existing agency placements. IV-D staff must rely on other sources to learn when to create IV-D cases or take action on IV-D cases and their associated court orders.

Although the IV-D program acknowledges courts may place children in an out-of-home placement without DHS involvement, this manual section is specific to cases the child welfare program refers through the interface between MiSACWIS and MiCSES.

IV-D staff must gather agency placement information from the following sources and IV-D staff must verify that information as outlined in Section 2.4, “Verifying Agency Placement Information,” in this memorandum.

### 2.3.1 The SACWIS Referral Report<sup>13</sup>

MiCSES generates the SACWIS Referral Report daily based on referrals and referral updates from MiSACWIS. The SACWIS Referral Report is available on the *Functional Prototype Queries* (FPRO) screen in MiCSES. IV-D staff will use this report to identify new referrals from MiSACWIS.

The information in this report is the same as the MiSACWIS referral information stored on the SCWS screen and does not validate a referral.

### 2.3.2 Notification From Probate Courts

Michigan Court Rule (MCR) 3.205(B)(2) directs courts to inform the prior court when proceedings in a subsequent court occur. IV-D staff may learn of new agency placements or changes to agency placements through probate court staff.

### 2.3.3 Notification From Parties on the Case

The foster parent, either legal parent, guardian, or other involved party may contact IV-D staff to report a change in circumstances in the child(ren)’s IV-D case and/or support order. IV-D staff will obtain as much information as possible from the party in order to aid their own investigation into potential changes in IV-D cases and support orders.

### 2.3.4 Other Resources

IV-D staff may learn of changes in child welfare cases through sources not mentioned in this memorandum.

Note: If IV-D staff learn from a source that a child is in agency placement and a MiSACWIS referral has not been sent to MiCSES, they cannot manually update the SCWS screen in MiCSES. There is a potential that MiCSES will not receive all necessary referrals from MiSACWIS. Therefore, IV-D staff must contact the child welfare worker to inquire if a child’s placement is eligible for referral. Child welfare workers will make the determination when a referral to child support will be sent.

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<sup>13</sup> Ref: the [SACWIS Referral Report \(SCWSREFERRAL\)](#) MiCSES documentation on mi-support for more information.

## 2.4 Verifying Agency Placement Information

There are two resources that IV-D staff will use to verify information in the MiSACWIS referral: a Business Objects report, and a team of IV-D staff with direct MiSACWIS access.

### 2.4.1 Business Objects DHS Case Inquiry MiSACWIS Child History (QN-014) Report

This new Business Objects report will be available for IV-D staff to use when verifying agency placement information.<sup>14</sup> This report will be available on May 1, 2014. The information populated in the report is obtained directly from MiSACWIS, and this report is the **primary** resource for IV-D staff to verify agency placement information. **IV-D staff will use the Business Objects QN-014 report first before referring questions to the IV-D team with MiSACWIS access.**<sup>15</sup>

IV-D staff may search the QN-014 report using the:

- Child's Bridges ID (AI-ID); or
- Child's MiSACWIS Person ID; or
- Child's Social Security number (SSN).

The report will provide IV-D staff with key placement and funding information that IV-D staff can use to determine whether children require IV-D services and whether to assign child support payments. Child welfare workers will make the determination when a referral to child support will be sent.

### 2.4.2 SACWIS Information Team (SITters)

A small number of OCS support specialists have undergone training for and received direct access to MiSACWIS. These support specialists are designated as the SACWIS Information Team, or SITters.

SITters provide support to IV-D staff by researching and confirming information in MiSACWIS. They can verify any information that appears on the SCWS screen. However, they **cannot**:

- Answer policy questions; or
- Provide assistance for MiCSES steps or workarounds.

IV-D staff will review child welfare referral information displayed on both the SCWS screen and the SACWIS Referral Report, and compare it to

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<sup>14</sup> For more information, refer to the [Business Objects DHS Case Inquiry](#) located on mi-support.

<sup>15</sup> Ref: Subsection 2.4.2, "SACWIS Information Team (SITters)" for more information.

the QN-014 report. If IV-D staff need to confirm information that does not appear on the QN-014 report but exists in the MiSACWIS referral, they **may** request the assistance of a SITter.

To request SITter assistance, IV-D staff must call or email the MiCSES Help Desk, and Help Desk staff will refer the request to the SITters.<sup>16</sup> This is the most efficient way for SITters to track issues and respond to initial requests for verification after MiSACWIS implementation. If requesting information by email, the subject line of the request must be titled "SACWIS Information Request." IV-D staff must include the following information when calling or emailing in order to identify the MiSACWIS case:

- The MiSACWIS Case ID;
- The child's MiSACWIS Person ID;
- The parent's MiSACWIS Person ID, if the information request pertains to that parent; and
- A brief explanation of the identified discrepancy.

MiCSES Help Desk staff will refer inquiries requesting MiSACWIS case information to a SITter. Help Desk staff will refer inquiries with policy, technical, or other questions to other appropriate resources.

Designated SITters will be added to a Remedy group and will monitor the referred tickets on a daily basis. They will look up the requested information in MiSACWIS and return inquiries to the Help Desk within approximately three business days. The Help Desk will then inform the requester of the information.

### **3. Case Initiation and Referral Processing**

The federal Office of Child Support Enforcement (OCSE) directs states that if there is no assignment of support for a child receiving foster care services, there "is no role for the IV-D agency."<sup>17</sup>

Michigan's child welfare program determines when it is appropriate to send a referral from MiSACWIS to MiCSES. IV-D staff cannot initiate case action without a referral.

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<sup>16</sup> The MiCSES Help Desk can be reached at 800-968-2644, 517-241-9700, or DIT-MiCSES-HelpDesk@michigan.gov.

<sup>17</sup> Ref: [OCSE Informational Memorandum \(IM\) 07-06, \*Appropriate Referrals, Requests for Location Services, Child Support Applications, and Electronic Interface between Child Welfare and Child Support Enforcement Agencies.\*](#)

MiCSES will not automatically react to referrals by:

- Matching MiSACWIS members to MiCSES members;<sup>18</sup>
- Finding matching IV-D cases;
- Opening workflows; or
- Alerting OCS support specialists.

Instead, support specialists must manually determine whether a referred case qualifies for IV-D services, search for existing IV-D cases, and create and/or take action on IV-D cases.

Support specialists may need to contact FOC staff if case conditions warrant their attention. Therefore, each FOC office should identify a Foster Care liaison for their office. A Foster Care liaison's contact information (name, telephone number, email address) may be added or edited on the Partner Contact Information page on mi-support by calling the MiCSES Help Desk or requesting an update via the "Offer Feedback" feature on mi-support.

The below example will be used and built upon throughout this memorandum to demonstrate case initiation and referral processing.

#### **Example 1: MiSACWIS Referral**

Carrie, age 3, and her brother, Grant, age 10, live with their father, Fred. After CPS involvement, a judge orders that Carrie and Grant be removed from Fred's home and placed with DHS.

Child welfare workers enter the case into MiSACWIS, documenting Carrie's, Grant's, and Fred's identifying and demographic information and the order removing Carrie and Grant. The child welfare worker also records Carrie's and Grant's initial placement in MiSACWIS.

That evening, after the child welfare worker completes this step, MiSACWIS sends an electronic referral for IV-D services to MiCSES.

Carrie, Grant, and Fred are included in the referral for IV-D services. Child welfare workers identified Carrie and Grant's mother, Jane, as part of the removal process, but did not locate her.

Within MiSACWIS, Carrie has a relationship of SISTER to Grant, and a relationship of BIOLOGICALDAUGHTER to Fred and Jane. Grant has a relationship of BROTHER to Carrie and a relationship of BIOLOGICALSON to Fred and Jane.

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<sup>18</sup> MiCSES will create initial associations of members on the RESR screen for the cross-reference file. Refer to Subsection 2.1.1. Member associations will not be made for daily referrals.

Fred has a relationship of BIOLOGICALFATHER to Carrie and Grant (whether or not legal paternity is established) and a relationship of FORMERSIGNIFICANTOTHER to Jane. Jane has a relationship of BIOLOGICALMOTHER to Carrie and Grant, and a relationship of FORMERSIGNIFICANTOTHER to Fred.

Child welfare workers place Grant and Carrie in a foster care facility funded by State Ward Board and Care. MiSACWIS includes an assignment indicator of STATE for each child, with a IV-E eligibility of "N" (No).

IV-D staff will see these relationships and other referral information on the SCWS screen in MiCSES.

### 3.1 Reviewing and Confirming MiSACWIS Referrals

Support specialists must refer to the SACWIS Referral Report to find new agency placement cases qualifying for IV-D services. Support specialists with the Local Options Administrator role may generate the SACWIS Referral Report for a chosen date range to help identify new and changed referral information. Support specialists will use the report to:

#### 3.1.1 Identify New Referrals

Support specialists will filter the SACWIS Referral Report by the *Referral Date* column and identify MiSACWIS cases and children newly referred since the report was last worked.

#### 3.1.2 Confirm Referral Validity

Support specialists must confirm the placement and funding information indicated in the SACWIS Referral Report.

The presence of these data combinations in MiSACWIS confirms an appropriate referral:

- Assignment to DHS (equivalent to *Pay To* of STATE) – Support is assigned to the state for agency placements funded by Title IV-E (federal) or State Ward Board and Care; or
- Assignment to a county Child Care Fund (CCF) (equivalent to *Pay To* of COUNTY) – Support is assigned to the county for agency placements funded by a county CCF.

The presence of redirection to an unlicensed provider (equivalent to *Pay To* of PROVIDER) does **not** constitute a referral that warrants IV-D action. This occurs when a child is placed with a family member (not a

foster care facility, juvenile detention center, or other agency) and IV-E, State Ward Board and Care, or a county CCF is not making maintenance payments for the child.

Support specialists will compare the SCWS screen to the QN-014 report. If the QN-014 report indicates assignment to DHS or a county CCF, the support specialist will search for matching MiCSES case members and IV-D cases. If the QN-014 report does not indicate an assignment to DHS or a county CCF, the support specialist will not search for matching MiCSES case members and IV-D cases, and will not process the referral.

If, after following the above research steps, the appropriateness of the referral is questionable, the support specialist will contact a SITter and ask the SITter to confirm the criteria in MiSACWIS.

### 3.1.3 Search for Matching Members

Support specialists will search MiCSES<sup>19</sup> using names, dates of birth, SSNs, MiSACWIS Person IDs, and Bridges AI-IDs to determine whether MiCSES already has a record of the referred child or of the referred parents of the child.

Depending on the results of the search:

- A. The support specialist will create new IV-D members (if there is no match);
- B. The support specialist will use the existing matching IV-D members (if there is a match); or
- C. If the name, date of birth, SSN, and Bridges AI-ID do not resolve whether the MiCSES and MiSACWIS members are the same, the support specialist or a IV-D worker with the RESR Resolver role will make a determination regarding the identity of the referred individual using other information, including:
  1. Gender;
  2. Race and ethnicity;
  3. Address(es); and
  4. Other information as appropriate.

After creating new MiCSES members or noting existing MiCSES members, the support specialist will use the RESR screen in MiCSES to associate the MiSACWIS Person ID with the MiCSES Individual ID.

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<sup>19</sup> Ref: [MiCSES Quick Reference Guide: CLST – Search for Case Information](#) and [MiCSES Quick Reference Guide: RESR – Manage Member Associations](#).

Note: There may be instances when MiSACWIS includes multiple MiSACWIS Person IDs for a single member on the agency placement case in the referral. IV-D staff must associate each MiSACWIS Person ID to the MiCSES member (s)he matches.

#### 3.1.4 Search for Matching IV-D Cases

MiSACWIS transmits county jurisdiction and assignment information independently for each referred child. Because of this, an agency placement IV-D case may contain all the children who are or have been placed under the care and supervision of DHS and who have the same parent.

IV-D staff must not create separate IV-D cases for each parent/child combination referred by child welfare for IV-D services. IV-D staff will add new referred children to existing cases so that all children under DHS's care for the same non-custodial parent (NCP) are on the same agency placement IV-D case. The support specialist must determine if there is an existing IV-D case for the referred child.

To determine whether to create a new agency placement IV-D case, the support specialist will search for IV-D cases where:

- The child is already active on an agency placement case; or
- There is an existing agency placement case, with one of the parents as the NCP, to which the child can be added.

#### **Example 2: File Clearance**

A support specialist performs manual member matching against the referral records for Carrie, Grant, Fred, and Jane.

MiCSES previously recorded a child support order directing Jane to pay child support to Fred for the support of Carrie and Grant.

Because the MiSACWIS information on Carrie, Grant, and Fred is complete, the support specialist is able to match the referral information to their MiCSES records. Jane's information in MiSACWIS consists only of her name and date of birth, and her name in MiSACWIS is spelled differently than it is in MiCSES. The support specialist considers the current child support order naming Jane and Fred and the relationships in the MiSACWIS referral, and determines that the MiSACWIS-referred Jane and the MiCSES Jane are the same person. The support specialist, who holds the Referral Matchmaker role in MiCSES, associates the two using the RESR screen.

### 3.2 IV-D Case Setup

The NCP for an agency placement IV-D case is the legal or putative parent of the referred child. The support specialist must ensure that the child appears on two separate agency placement IV-D cases, each with a legal or putative parent as the NCP.

The support specialist will use relationship information to determine whether to create a new IV-D case. If multiple putative fathers are identified for a single child, the support specialist will create only one IV-D case with the most likely putative father as the NCP.<sup>20</sup>

The CP in an agency placement IV-D case is always DHS. In MiCSES, a member who represents DHS is designated in the *Mem Typ* field on the *Member Demographics* (DEMO) screen.<sup>21</sup>

Where possible, IV-D staff will retain and continue to work with existing agency placement IV-D cases. When IV-D staff must create a new IV-D case, they will also create a new MiCSES CP member. The first name of the member will be AGENCY PLACED, and the last name will be FOSTER CARE. The IV-D worker will not create other demographic details for an agency placement CP.<sup>22</sup>

### 3.3 Multiple Children per Placement IV-D Case

An agency placement IV-D case may contain **all** the children who are or have been placed under the care and supervision of DHS and who have the same parent. IV-D cases created from SWSS FAJ referrals could not identify distinct county jurisdiction or assignment information. Because of this, prior Michigan IV-D policy directed workers to create a different IV-D case for each NCP/child combination.

With MiSACWIS referrals, IV-D staff must not create separate IV-D cases for each parent/child combination. IV-D staff will ensure that all children under DHS's care and with the same NCP are on the same IV-D case.

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<sup>20</sup> Ref: [Section 2.20, "Court Action Referrals \(CARs\)," of the Michigan IV-D Child Support Manual.](#)

<sup>21</sup> Ref: Section 3.03 of the *Michigan IV-D Child Support Manual* for information on agency placement CPs.

<sup>22</sup> IV-D staff, when using an existing IV-D case, do not need to change the name or other demographic details about an existing agency placement CP. They must denote the CP as an agency placement CP using the *Mem Typ* field on the DEMO screen if that CP is not already designated.

### **Example 3: Creating IV-D Cases**

Neither Carrie nor Grant have an already existing agency placement IV-D case. The support specialist creates two new IV-D cases:

#### IV-D Case 1:

- CP: AGENCY PLACED FOSTER CARE (this member is an agency placement CP)
- NCP: Fred
- Dependents: Carrie and Grant

#### IV-D Case 2:

- CP: AGENCY PLACED FOSTER CARE (the support specialist uses the same MiCSES Member ID as in Case 1)
- NCP: Jane
- Dependents: Carrie and Grant

### 3.4 Associating MiCSES and MiSACWIS Individuals

To accurately track and account for child welfare assistance for a child referred by MiSACWIS, IV-D staff must ensure that the MiSACWIS Person IDs and the MiCSES Member IDs for each referred child and parent are associated.

For new MiSACWIS referrals, support specialists with the RESR Resolver role in MiCSES must associate MiSACWIS and MiCSES individuals using the RESR screen in MiCSES.<sup>23</sup>

All IV-D staff with the Referral Matchmaker and RESR Resolver roles must thoroughly investigate cases and coordinate with other affected IV-D staff before making changes to assistance history or associations in MiCSES. IV-D staff will not verify the parents for every referral through a SITter. IV-D staff must first attempt to verify this information using the QN-014 report.

#### 3.4.1 Duties of a Referral Matchmaker for MiSACWIS Referrals

IV-D staff with the Referral Matchmaker role will:

- Investigate identifying information regarding MiSACWIS individuals. IV-D staff will use any resources available to them, including the QN-014 report, and then, if necessary, they will contact a SITter at OCS to verify MiSACWIS information;
- Research the correct correlations between MiSACWIS and MiCSES individuals;

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<sup>23</sup> Ref: Section 3.03 of the *Michigan IV-D Child Support Manual*.

- Detect (but not resolve) effects on IV-D cases, court dockets, and obligations resulting from changes to associations they intend to make;
- Coordinate with case workers and/or offices assigned to potentially affected IV-D cases to ensure the worker and office initiate proper action in response to changes in individual associations; and
- Enter changes to associations on the MiCSES RESR screen to reflect individuals' true identities.

### 3.4.2 Duties of a RESR Resolver for MiSACWIS Referrals

IV-D staff with the RESR Resolver role will:

- Investigate, research, and enter changes to associate or disassociate MiSACWIS and MiCSES individuals;
- Investigate referred families that match to existing closed MiCSES cases (termed "closed case exceptions") and determine appropriate actions; and
- Enter information on the MiCSES RESR screen to:
  - Reopen or leave closed the existing closed MiCSES case(s); or
  - Open a new IV-D case within MiCSES.

### 3.5 Entering Member Assistance History

To correctly designate IV-D cases for federal reporting<sup>24</sup> purposes and correctly assign child support, IV-D staff must enter a correct history of child welfare assistance on the MAHI screen in MiCSES.

For new MiSACWIS referrals, support specialists with the Assistance Adjuster role must enter assistance history using the MAHI screen in MiCSES:

<b>Pay To Indicator on SCWS</b>	<b>IV-E Eligibility Indicator on SCWS</b>	<b>Description</b>	<b>Prog Field on MAHI</b>
STATE	YES	Title IV-E	F*
STATE	NO or PENDING	State Ward Board and Care	J*
COUNTY	YES, NO or PENDING	County CCF	J*
*This is the same code as the <i>IV-D Case Type</i> code on the <i>Case Member Details (CASE)</i> screen in MiCSES.			

<sup>24</sup> For more information on federal reporting, refer to the [Federal Reporting Data Frequently Asked Questions](#) on mi-support.

Note: Because financial research is needed to determine pre-placement relevance,<sup>25</sup> support specialists will not update the MAHI screen for pre-placement relevant IV-D cases in MiCSES. Support specialists will refer IV-D cases with existing child support court orders to the FOC<sup>26</sup> for assignment of child support.

IV-D staff with the Assistance Adjuster role will:

- Investigate mismatches between MiCSES and MiSACWIS records of current agency placement assistance periods and previous agency placement assistance periods;
- Research correct periods of agency placement assistance for individuals;
- Enter changes to agency placement assistance periods on the MAHI screen in MiCSES to reflect individuals' actual receipt of agency placement assistance;
- Detect (but not resolve) effects on IV-D cases, court dockets, and obligations resulting from corrections they intend to make to assistance periods; and
- Coordinate with case workers and/or offices assigned to the potentially affected IV-D cases to ensure the worker and office initiate proper action in response to changes in agency placement assistance.

### 3.6 Child Welfare Case Processing

After taking the outlined steps in Subsection 3.5 above, the support specialist with the Assistance Adjuster role must do one of the following:

- If the support specialist does not find a support order or a court action referral (CAR) during the investigation stage, and a Support Specialist workflow (an SSACT major activity) is not present on either agency placement IV-D case with the parent as an NCP, the support specialist will create an SSACT major activity; or
- If the support specialist finds a support order or a CAR for the child during the investigation stage, the support specialist will inform FOC or PA staff to take further action.<sup>27</sup>

## 4. Order Establishment (Court Action Referrals [CARs]) for Child Welfare

The support specialist must review the case information for accuracy and determine if paternity has been established and there is an existing child support court order.

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<sup>25</sup> Ref: Section 5.2 of this memorandum for information on pre-placement relevance.

<sup>26</sup> Ref: Section 2.20 of the *Michigan IV-D Child Support Manual*.

<sup>27</sup> Ref: Section 4, "Order Establishment (Court Action Referrals [CARs]) for Child Welfare," in this memorandum.

Based on the results of this review, the support specialist will send the CAR to either the PA or the FOC.

Prior to sending the referral, the support specialist will verify that the child's agency placement funding is accurately recorded in MiCSES and will amend the MiCSES record if needed. The PA or FOC worker needs to re-verify the funding (*Pay To*) information only if the CAR is processed 30 calendar days after the referral is sent.<sup>28</sup>

#### 4.1 Referral to the PA

If paternity has not been established and/or there is no child support order, the support specialist must transmit the CAR to the PA who has jurisdiction over the removal court case. The county that has jurisdiction over the removal court case is the county where the court order placing the child with DHS was entered. This county retains jurisdiction even if DHS places the child in a different county or state.

In some cases, DHS may ask the court to transfer county jurisdiction. Once notified of the change in jurisdiction, the PA must transfer the child support case to the PA office of the new county.<sup>29</sup>

When the PA is processing the CAR, if the NCP is not available to provide information to the PA, the child welfare worker will provide any additional information. This includes information for the general testimony in intergovernmental cases. The PA will always file an agency complaint when the child is in agency placement.<sup>30</sup>

#### 4.2 Referral to the FOC

If a child support order exists, the support specialist must transmit the referral to the FOC in the county that has jurisdiction over the child support court case.<sup>31</sup>

FOC staff will review the IV-D case information, verify MiSACWIS information as necessary, and review the case for any of the following:

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<sup>28</sup> Ref: Section 2.4, "Verifying Agency Placement Information," in this memorandum.

<sup>29</sup> In MiSACWIS, the case county is the county with legal jurisdiction over the child independent of the child's current placement.

<sup>30</sup> Ref: [Section 2.15, "Cooperation/Noncooperation/Good Cause," of the Michigan IV-D Child Support Manual](#) for information on the agency complaint process.

<sup>31</sup> [State Court Administrative Office \(SCAO\) Administrative Memorandum \(ADM\) 2005-04, Administrative Abatement or Redirection of Child Support](#) states that "A motion to require both parties to pay may not, therefore, be a material change in the order; rather, it seeks only to quantify both parents' support obligations in the order. However, if the court regards a motion to require both parties to pay to a third person as a new matter, it would not be appropriate for the FOC to bring the action because it would be advocating for the third person. In this instance, the third person would be required to file a motion with the court in order to seek child support from the second parent."

- Addition of a child to the order;
- Modification of the order; and
- Assignment of support.

## 5. Child Welfare Financials and MiSACWIS

When a child is committed to or under the supervision of DHS, and DHS is making state- or federally funded foster care maintenance payments, the parents are responsible for the cost of care for that child. If there is a pre-existing child support order for the child, all rights to current, past-due or future support payable on behalf of a child in DHS custody are assigned to the agency that is funding the placement of the child.<sup>32</sup>

### 5.1 Placement Relevance

The term “placement relevance” describes a IV-D case(s) where the CP represents DHS, and the child(ren) on that case(s) is in the care of Michigan’s child welfare program. The IV-D cases that have placement relevance are referred to as agency placement IV-D cases.

IV-D staff will seek to obtain a support order for the parent(s) of the child(ren) to reimburse the funding source<sup>33</sup> of the child’s agency placement. Once a support order is obtained, IV-D staff will enter the monthly support obligations in MiCSES during the time that the child(ren) is placed with DHS to ensure that assignment of child support and arrearages occurs.

### 5.2 Pre-Placement Relevance

The term “pre-placement relevance” describes IV-D cases where the CP is the person from whom a child was removed to be placed with Michigan’s child welfare program.

State law provides that all rights to current, past-due or future support due for a child who is under the supervision of the department and for whom the department is making foster care maintenance payments, are assigned to the department while the child is receiving maintenance payments.<sup>34</sup> Consequently, if the child is removed from the home of a CP who is owed current or past-due child support for that child, that support is assigned.

However, there may be IV-D cases in which the CP on the case is owed past-due support but the child was **not** removed from that CP’s home as a result of risk of harm (e.g., a grandmother cared for the child years before the removal).

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<sup>32</sup> Michigan Compiled Law (MCL) 400.115b and MCL 552.605d; SCAO ADM 2005-04

<sup>33</sup> Ref: Subsection 5.3, “Child Welfare Funding,” in this manual section for more information regarding funding sources.

<sup>34</sup> Ref: MCL 400.115b(5)

OCS and program leadership consider assignment of support due to such a caregiver as unjust. Therefore, the IV-D program will only assign the current, past-due and future support from a IV-D case(s) in which the child was removed from the home of the CP on the case due to risk of harm.<sup>35</sup>

Since the home from which the child was removed is not part of the referral record, IV-D staff must use last-charging information to make an initial determination of pre-placement relevance. IV-D staff with the Assistance Adjuster role in MiCSES will select:

- Currently charging cases with obligations for the child;
- Cases with the most recently charging obligation if no currently charging obligation exists; or
- Cases as indicated in the order for removal.

#### **Example 4: Finding Pre-Placement Relevance**

MiCSES previously recorded a child support order directing Jane to pay child support to Fred for the support of Carrie and Grant prior to DHS removing the children from Fred's home. MiCSES also previously recorded a child support order directing both Fred and Jane to pay child support to Jane's mother when she had guardianship of the children for a brief time five years before.

Because the children were removed from Fred's home, the case in MiCSES with Fred listed as the CP will have pre-placement relevance, and IV-D staff must designate assignment on his IV-D case on the MAHI screen.

IV-D staff must not designate assignment on the IV-D case(s) where the grandmother is the CP since DHS did not remove the children from her home.

### 5.3 Child Welfare Funding

When a child enters an agency placement, the child welfare worker must determine the funding source of the foster care maintenance payments for the child's placement. Unlicensed providers do not receive foster care maintenance payments while the child is under DHS's care and custody.

#### 5.3.1 Funded Placements<sup>36</sup>

Michigan uses three types of funding sources to pay for agency placements:

- Federal (IV-E);

<sup>35</sup> Ref: Section 6, "Child Welfare Assignment" in this memorandum.

<sup>36</sup> Ref: [Children's Foster Care Manual, FOM 902, Funding Determinations and Title IV-E Eligibility](#).

- State Ward Board and Care; and
- County CCF.

Child welfare workers determine the funding source on a per-child basis. The funding source may be different for each child in a family with multiple children in agency placement.

### 5.3.2 Non-Funded Placements

DHS may place a child with an unlicensed provider. Unlicensed providers do not receive foster care maintenance payments; therefore, the placement is considered non-funded. IV-D staff must not create an agency placement IV-D case or assign support when a child is placed with an unlicensed provider.

## 5.4 Child Welfare Obligations

Federal laws address assignment for IV-E-funded agency placements, while state statutes specify assignment for state- and county-funded placements. Assignable debt types<sup>37</sup> for agency placements include:

- Child care (CC);
- Child support (CS);
- Medical support (MS); and
- Payee bonus (PB).

The monthly support obligation for CC, CS and PB on an agency placement IV-D case accrues in the corresponding debt type in the IV-E foster care (IVEF) category when the child's placement is federally or state-funded.

The monthly support obligation for CC, CS and PB on an agency placement IV-D case accrues in the county foster care (WF)<sup>38</sup> debt type in the never assigned arrears (NAA) category when the child is in a county-funded placement.

The monthly support obligation for MS remains on the pre-placement relevant IV-D case and accrues in the Medicaid (MEDI) category.

## 6. Child Welfare Assignment

Child welfare referrals will include the funding source of the foster care maintenance payments in the agency placement. They will also include the effective date of the funding. The funding source and effective date are located on the MiCSES SCWS screen in the *Pay To* field. IV-D staff must use the funding source information to

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<sup>37</sup> Ref: [Section 5.10, "Debt Types," of the Michigan IV-D Child Support Manual.](#)

<sup>38</sup> WF is the debt type for county placement. Ref: Section 5.10 of the *Michigan IV-D Child Support Manual* for information on debt types.

determine whether to assign or unassign support after verifying the funding source as described in Section 2.4, “Verifying Agency Placement Information,” of this memorandum.

IV-D staff will enter one of the following values in the *Prog* field on the *FC Legacy* tab of the MAHI screen in MiCSES:

- “F” (Federal/IV-E) – MiCSES automatically assigns support to the state when agency placement is federally funded; or
- “J” (State or County) – MiCSES automatically assigns support to the state when agency placement is state-funded. IV-D staff manually assign support to the county funding the child’s placement (the county that holds jurisdiction over the removal of the child) when the agency placement is county-funded.

The chart below provides an overview of how IV-D staff will record assignment on the MAHI screen and the *Obligation Maintenance* (OBLG) screen in MiCSES based on information provided in the MiSACWIS referral.

<i>Pay To Indicator on SCWS</i>	<i>IV-E Eligibility Indicator on SCWS</i>	Description	Debt Types*	Check Recipient Type on OBLG	Arrears Accrual	<i>Prog Field on MAHI</i>	Agency Receiving Payment
STATE	YES	Title IV-E	CS	1	IVEF	F**	DHS***
STATE	NO or PENDING	State Ward Board and Care	CS	1	IVEF	J**	DHS***
COUNTY	YES, NO or PENDING	County CCF	WF	3	NAA	J**	Agency placement case county****
PROVIDER	A <i>Pay To</i> PROVIDER referral indicates DHS placed the child with an unlicensed caregiver and no foster care maintenance payments are being made. IV-D staff must not create an agency placement IV-D case or assign support when a <i>Pay To</i> PROVIDER referral is received.						
*Debt type used for the child support obligation only. Enter CC, SS and PB as appropriate. **This is the same code as the <i>IV-D Case Type</i> code on the CASE screen in MiCSES ***DHS Accounting Unit, Lansing, Michigan ****The county entity that administers the CCF in the county in which the child was removed from the home							

Assignment of support must take effect as of the *Pay To* effective date included in the MiSACWIS referral since this is the date DHS began making foster care maintenance payments on behalf of the child. When FOC staff are made aware of

the referral, they must verify the *Pay To* information before proceeding with the assignment of support.<sup>39</sup>

IV-D staff must manually unassign support when the funding source is LEFTCARE.<sup>40</sup> Unassignment must take effect as of the *Pay To* effective date included within the referral since this is the date DHS is no longer making foster care maintenance payments on behalf of the child for that placement.

## 6.1 Assignment of Monthly Support Obligation and Arrears

If the MiCSES *Pay To* effective date is a date other than the first day of the month, IV-D staff must use the effective date to prorate and end the monthly support obligation on the pre-placement relevant IV-D case(s), and prorate and begin the monthly support obligation on the agency placement IV-D case(s).<sup>41</sup>

Once the Assistance Adjuster has updated the MAHI screen, MiCSES will assign current support and temporarily assign arrears on the pre-placement relevant IV-D case for funded placements. FOC staff must verify the assignment of current support and arrears is correct on MiCSES and manually update MiCSES as appropriate.

The assignment of monthly support obligations and arrears is only applicable to the following debt types: CC, CS and PB. MS is also assignable; however, MS assignment does not follow the same assignment rules as CC, CS and PB. Refer to Section 6.2, "Medical Support (MS) Assignment," in this memorandum for information regarding MS assignment.

### 6.1.1 Federally Funded Placement Referrals

The referral from MiSACWIS for a federally funded placement will include a *Pay To* of STATE, and the *IV-E Eligibility* indicator will be YES.

When FOC staff have verified the *Pay To* information, the Assistance Adjuster must update the MAHI screen to reflect the agency placement. FOC staff must enter an "F" in the *Prog* field on the MAHI screen for the agency placement IV-D case(s) and the pre-placement relevant IV-D case(s).

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<sup>39</sup> When IV-D staff use the QN-014 report to verify assignment information, the report will provide a funding description and funding begin date, rather than the *Pay To* and *Pay To* effective date that are used on the SCWS screen.

<sup>40</sup> LEFTCARE may mean the child was reunited with the parent whom the child was removed from by DHS, returned to the other parent, adopted, or placed in a permanent guardianship, among other things.

<sup>41</sup> Ref: [Section 5.20, "Obligation – Entry, Modification and Adjustments," of the Michigan IV-D Child Support Manual](#) and [SCAO ADM 2012-10, Prorating, End-dating, and Converting Support Orders to Monthly Amounts](#) for more information regarding prorating obligations.

#### A. Pre-Placement Relevant IV-D Case

Once the Assistance Adjuster enters “F” in the *Prog* field on the MAHI screen, MiCSES will temporarily assign the arrears to the state on the pre-placement relevant IV-D case by moving the arrears from the NAA category to the temporarily assigned arrears (TAA) category. FOC staff must manually end the monthly support obligation as of the day prior to the *Pay To* effective date. If support is ended mid-month, the OBLG screen will calculate the prorated amount of support for that month.

#### B. Agency Placement IV-D Case

FOC staff must begin the monthly support obligation on the agency placement IV-D case as of the *Pay To* effective date. If support begins mid-month, the OBLG screen will calculate the prorated amount of support for that month. The monthly support obligation on the agency placement IV-D case(s) accrues in the IVEF category in MiCSES.

### 6.1.2 State-Funded Placement Referrals

The referral from MiSACWIS for a state-funded placement will include a *Pay To* of STATE, and the *IV-E Eligibility* indicator will be NO or PENDING.

When FOC staff have verified the *Pay To* information, the Assistance Adjuster must update the MAHI screen to reflect the agency placement. FOC staff must enter a “J” in the *Prog* field on the MAHI screen for both the agency placement IV-D case(s) and the pre-placement relevant IV-D case(s).

#### A. Pre-Placement Relevant IV-D Case

Once the Assistance Adjuster enters “J” in the *Prog* field on the MAHI screen, MiCSES will temporarily assign the arrears to the state on the pre-placement relevant IV-D case by moving the family arrears to the TAA category. FOC staff will leave the arrears on the pre-placement relevant case. FOC staff must manually end the monthly support obligation as of the day prior to the *Pay To* effective date. If support is ended mid-month, the OBLG screen will calculate the prorated amount of support for that month.

#### B. Agency Placement IV-D Case

FOC staff must begin the monthly support obligation on the agency placement IV-D case as of the *Pay To* effective date. If support begins mid-month, the OBLG screen will calculate the prorated amount of support for that month. The monthly support obligation on the agency placement IV-D case(s) accrues in the IVEF category in MiCSES.

**Example 5: State-Funded Assignment of Support**

At the time the court removed Grant from Fred’s home and placed him with DHS, there was an existing child support order for Jane to pay Fred for the support of Grant. The monthly support obligation on the order is \$100 per month, and there is a current arrears balance of \$300.

Case	NCP	CP	Monthly Support Obligation	NAA	TAA	IVEF
PPR*	Jane	Fred	\$100	\$300		

DHS

places the child into a state-funded agency placement. FOC staff must stop the monthly support obligation payable to Fred. When IV-D staff update the MAHI screen, MiCSES assigns the arrears to the state by moving the \$300 in NAA to the TAA category on the pre-placement relevant (PPR) IV-D case. In addition, FOC staff must add the monthly support obligation to the agency placement IV-D case.

Case	NCP	CP	Monthly Support Obligation	NAA	TAA	IVEF
PPR	Jane	Fred			\$300	
AgP**	Jane	Agency CP	\$100			Current and future support accrues here

\*PPR = Pre-placement relevant IV-D case

\*\*AgP = Agency placement IV-D case

**6.1.3 County-Funded Placement Referrals**

The referral from MiSACWIS for a county-funded placement will include a *Pay To* of COUNTY. The referral will also include the name of the county that holds jurisdiction over the child’s placement.

When FOC staff verify the *Pay To* information, the Assistance Adjuster must update the MAHI screen to reflect the agency placement. FOC staff

must enter a “J” in the *Prog* field on the *FC Legacy tab* on the MAHI screen for both the agency placement IV-D case(s) and the pre-placement relevant IV-D case(s).

#### A. Pre-Placement Relevant IV-D Case

Once the Assistance Adjuster enters “J” in the *Prog* field on the MAHI screen, MiCSES will temporarily assign the arrears to the state on the pre-placement relevant IV-D case by moving the family arrears to the TAA category. To assign the arrears to the county rather than the state, FOC staff must manually create a WF debt type on the pre-placement relevant IV-D case. Once FOC staff create the WF debt type, they must move the assignable arrears on the CC, CS and PB debt types to the NAA category on the newly created WF debt type. FOC staff will leave these arrears on the pre-placement relevant case.

FOC staff must also manually end the monthly support obligation as of the day prior to the *Pay To* effective date on the pre-placement relevant IV-D case(s). If support is ended mid-month, the OBLG screen will calculate the prorated amount of support for that month.

If a child moves from one county to another and the county funding the placement changes, FOC staff must create a new WF debt type for each county funding each placement. FOC staff must also move the assignable arrears to the NAA category on the appropriate county’s WF debt type.

#### B. Agency Placement IV-D Case

FOC staff must begin the monthly support obligation on the agency placement IV-D case as of the *Pay To* effective date. If support begins mid-month, the OBLG screen will calculate the prorated amount of support for that month. MiCSES requires the WF debt type for this type of placement to ensure it properly directs collections to the county.

If a child moves from one county to another and the county funding the placement changes, FOC staff must create a WF debt type for each county funding each placement. FOC staff must also move the monthly support obligation to the appropriate county’s WF debt type.

The monthly support obligation on the agency placement IV-D case accrues in the NAA category on the WF debt type when the child’s placement is county-funded. The arrears that accrue during the

child's placement remain assigned to the county after the child leaves the agency placement.

## 6.2 Medical Support (MS) Assignment

Medicaid is provided by the Michigan Department of Community Health (MDCH) for children in an agency placement, regardless of the funding source.<sup>42</sup> All current, past-due, and future medical support on the pre-placement relevant IV-D case(s) is assigned to the state during the duration of the child's agency placement by operation of law.<sup>43</sup>

Medicaid is active as of the first of the month of the child's placement, regardless of the date the placement began. If the child welfare program places a child in an agency placement mid-month, Medicaid is effective as of the first day of that month.

When IV-D staff learn of a child's agency placement and have verified the placement information, the Assistance Adjuster must update the MAHI screen for the agency placement IV-D case(s) and the pre-placement relevant case(s).

Once the Assistance Adjuster designates assignment on the MAHI screen (using "F" or "J"), MiCSES assigns current medical support to the state. If MS arrears due the CP exist on the pre-placement relevant IV-D case(s), MiCSES will temporarily assign the arrears to the state.

The unpaid medical support accrues in the MEDI category in MiCSES on the pre-placement relevant IV-D case while the child is in placement. Any arrears that accrue while the child is under the supervision and care of DHS will remain owed to the state.

If no child support order exists at the time of placement, FOC staff must create the MS obligation on the agency placement IV-D case(s) upon entering a new child support order. The unpaid medical support will accrue in the MEDI category.

## 6.3 Retroactive Assignment

When FOC staff process a retroactive referral, they may review the pre-placement relevant IV-D case(s) to determine if the CP received payment after DHS removed the child from the home.<sup>44</sup> If the CP did receive payment, OCS

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<sup>42</sup> In some instances, children placed in an agency placement are already receiving Medicaid through another source (e.g., Supplemental Security Income [SSI]). For those children, DHS will not open a new Medicaid case due to the agency placement.

<sup>43</sup> 42 United States Code (USC) 1396a(a)(25)(H), 42 Code of Federal Regulations (CFR) 433.145, 42 CFR 433.146, MCL 400.115b(5), MCL 552.605d(3), MCL 400.106 and MCL 400.112a

<sup>44</sup> This is limited to payments applied to assignable debt types: CC, CS, MS and PB.

considers the overpayment an unjust enrichment; therefore, FOC staff may attempt to recoup the overpayment.<sup>45</sup>

#### 6.4 Recording Assignment Changes

The funding source may change multiple times during the course of a single period of placement. When FOC staff are made aware of a funding source change (e.g., a change from *Pay To* STATE to *Pay To* COUNTY), they may verify assignment information as described in Section 2.4, “Verifying Agency Placement Information,” in this memorandum.

When IV-D staff confirm a funding source change, the Assistance Adjuster must update the MAHI screen with the correct *Pay To* information, as well as designate placement and pre-placement relevance appropriately.

Once the Assistance Adjuster has updated the MAHI screen with the correct information, FOC staff must ensure the monthly support obligation is charging for the appropriate funding agency. This may require prorating support according to the effective date of the *Pay To* information, if the funding source change occurred mid-month.

#### 6.5 Ending the Assignment of Support

FOC staff must verify information prior to ending the assignment of support when IV-D staff receive either a:

- *Pay To* LEFTCARE referral, meaning DHS’s care and custody for a child is terminated (e.g., the child returns home, the child is adopted, etc.); or
- *Pay To* PROVIDER referral, meaning that the child is placed with an unlicensed provider.

##### 6.5.1 Ending Child Support Assignable Debt Types

FOC staff must end the assignment of support as of the date foster care maintenance payments ceased, which is the *Pay To* LEFTCARE effective date. Only the unpaid support that accrued while the child was in the agency placement will remain assigned to the state or county. FOC staff must reassign all pre-placement arrears that were temporarily assigned to the state or county back to the family in the appropriate arrears categories.

##### 6.5.2 Ending Assignment of the Medical Support (MS) Debt Type

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<sup>45</sup> Recoupment attempts are limited to only when a child is in a federally, state- or county-funded agency placement.

MDCH makes Medicaid coverage available to children in agency placements in full-month increments. Therefore, when FOC staff have verified a child is no longer in an agency placement, FOC staff must end the MS assignment at the end of the month of the agency placement. The unpaid support that accrued while the child was in the agency placement will remain assigned to the state. When the assignment is end-dated on the MAHI screen, MiCSES will reassign any pre-placement arrears temporarily assigned to the state back to the family.

## 7. Unreimbursed Foster Care (UFC)

Unreimbursed foster care (UFC) is the total amount of expenditures that DHS makes on behalf of a child in an agency placement (federally, state- or county-funded), minus the state-retained child support collection and other benefit collections DHS may have received or accounted for on the child's behalf (SSI, Retirement, Survivors, Disability Insurance [RSDI], etc.).

The child welfare program provides federally funded foster care grant expenditures, as well as the UFC for federally funded agency placement cases, to the IV-D program through a monthly expenditure file.<sup>46</sup> The IV-D program must use child support collections in excess of the UFC toward payment of the unreimbursed grant (URG) for IV-A assistance.<sup>47</sup> MiCSES must compare agency placement IV-D collections to the expenditures reported by MiSACWIS and classify collections as IV-E (federally funded) or Non-IV-E in a collections file it returns to MiSACWIS. DHS financial staff use the collections file information to complete budget reports that they send to the federal government.

During the time the child is placed in an agency placement, if retained child support collections exceed the amount of the UFC, DHS Reconciliation and Recoupment staff will use the excess support to serve the best interests of the child. This may include setting aside payments for the child's future needs or making all or a part of the money available to the person responsible for meeting the child's day-to-day needs.<sup>48</sup>

The county's CCF administrator tracks the UFC amount for an agency-placed child whose placement is county-funded. The county's CCF administrator does not provide this information to the IV-D program.

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<sup>46</sup> At the time of MiSACWIS implementation, DHS will not send a UFC balance through the MiSACWIS expenditure file. The IV-D program will assume the balance to be \$0 until there is a future interface enhancement.

<sup>47</sup> Ref: 45 CFR 302.52(b)(3). MiCSES does not currently have a process for using child support collections that exceed the UFC to pay the URG. However, OCS has entered a Help Desk ticket (#284601) requesting an enhancement to MiCSES to address this issue.

<sup>48</sup> Ref: *Children's Foster Care Manual* Item 902-15, *Receipt of Funds in Excess of Department Payments* and 45 CFR 302.52(b)(4).

## 8. Disbursement

The child's agency placement funding source determines the obligation debt type, the program type, and the disbursement of money that the Michigan State Disbursement Unit (MiSDU) collects on behalf of children with agency placement assignable support.

### 8.1 Federally and State-Funded Agency Placements

MiCSES does not disburse federally funded and state-funded agency placement child support collections in the same manner as collections for Family Independence Program (FIP).<sup>49</sup> When MiCSES determines the collection received is for IV-E or state-funded agency placement expenses, it holds the collections in suspense under the *Active IV-E (SIVE)* suspense code.

Once MiCSES processes the expenditure file from MiSACWIS, it releases the collections from SIVE hold and the MiSDU disburses the support to DHS. This occurs on a monthly basis.

### 8.2 County-Funded Agency Placements

MiCSES disburses child support collected for county-funded agency placements as the money is distributed;<sup>50</sup> this occurs on a daily basis.

The state and the county split state- and county-funded agency placement expenses evenly to offset the shared costs that may have happened between state and county for the child's placement. The state initially pays the expenses of the licensed provider when the funding source is state-funded. The county initially pays the expenses of the licensed provider for county-funded placements. Because the county shares agency placement expenses with the state, IV-D staff should be aware that the county must report the payments received from child support to the state. The state reconciles state and county expense payments on a quarterly basis to determine the appropriate cost share between the state and county. The IV-D program does not handle this reconciliation process.<sup>51</sup>

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<sup>49</sup> Ref: [Section 5.15, "Assignment of Support \(Certification/Decertification\)"](#) and [Section 5.40, "Public Assistance Impacts: Unreimbursed Grant, Linking, and Pass-Through \(Client Participation Payment\)"](#) of the *Michigan IV-D Child Support Manual*.

<sup>50</sup> MiCSES distributes payments to the county designated as the check recipient on the WF debt type on the OBLG screen on the agency placement IV-D case.

<sup>51</sup> The county reports total expenditures monthly. The county reports expenditures to the Data Reporting Unit of DHS on the *Monthly Report on Foster Care under the Family Division of the Circuit Court* (DHS-207). The state and county split allowable expenses monthly via the revenue transfer process. The state and county report gross third-party benefits (child support) on the DHS subaccount form, *Monthly Report on Child Care Fund Administered by the County DHS* (DHS-206B) or the DHS-207 (court subaccount).

## 9. Reviewing Agency Placement IV-D Cases for Closure

IV-D staff must review the agency placement IV-D case for closure or the support order for modification when IV-D staff become aware that a child has left DHS's custody, or a change in the case may warrant case closure. IV-D staff must obtain a copy of the last court order (e.g., termination of DHS custody, reunification, adoption, emancipation), for reference. A change in funding that causes unassignment (e.g., placement with an unlicensed provider) does not warrant closure of the agency placement IV-D case(s).

### 9.1 Changes in Agency Placement

IV-D staff must review the details of the removal of the child from agency placement and then:

- Determine if the child is present on an open order attached to the selected IV-D case;
- Determine if the child is properly included on the order according to program assistance type;<sup>52</sup>
- Evaluate charging CS and MS obligations, medical insurance order details, and CARs for the dependents;
- Determine if a new IV-D case must be established;
- Determine if the agency placement IV-D case(s) may be closed;<sup>53</sup>
- Decide if a new court order needs to be modified or established due to a referral or IV-D application for services; and/or
- Make any necessary changes in assignment of child support.

Note: For agency placement IV-D cases, the county foster care (WF) obligation indicates that the child is included in an order.

### 9.2 Termination of Parental Rights<sup>54</sup>

The Michigan Supreme Court determined in December 2012 that the termination of a parent's *rights* does not terminate the parent's *responsibility* (obligation) to support his/her child unless a court specifically modifies or terminates that support obligation (*In re Beck*, 488 Mich 6 [2012]).<sup>55</sup>

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<sup>52</sup> Program assistance types include the following: A – TANF or cash assistance, F – Title IV-E foster care, J – Non-federal foster care, M – Medicaid, N – Non-assistance, C – TANF - Child Development and Care, and S – Food Assistance.

<sup>53</sup> Ref: [Action Transmittal 2007-004, REVISED: Updated IV-D Partner Case Closure Responsibilities and Michigan Child Support Enforcement System \(MiCSES\) 4.4 Release Case Closure Fix](#) for more information on case closure reasons.

<sup>54</sup> Ref: SCAO ADM 2012-07 for additional information on when a court order for support should end.

<sup>55</sup> Ref: [IV-D Memorandum 2011-021, Termination of Parental Rights – Michigan Supreme Court Decision](#).

IV-D staff must review the termination court order to determine if the obligation for child support has also been terminated when they are notified or otherwise become aware that there has been a termination of parental rights. Before closing a IV-D case, IV-D staff must determine if there is a continuing obligation for current support and/or a continuing obligation to repay arrears.

### 9.3 Closure As Requested by the Child Welfare Worker

If at any time, a child welfare worker does not want the IV-D program to initiate or continue paternity establishment and/or a child support action on the agency placement IV-D case, the child welfare worker will notify OCS. IV-D staff will close the agency placement IV-D case or end the action for the dependent when there are multiple dependents on the case using the MiCSES reason code *Good Cause Approved (GG)*.

#### **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice.

#### **REVIEW PARTICIPANTS:**

Case Management Work Improvement Team  
Establishment Work Improvement Team  
Financial Work Improvement Team  
Program Leadership Group

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#### **CC:**

None

#### **SUPPORTING REFERENCES:**

Federal  
42 CFR 433.145

42 CFR 433.146  
45 CFR 302.52(b)(3) and (4)  
42 USC 1396a(a)(25)(H)

OCSE IM 07-06

State

MCL 400.106  
MCL 400.112a  
MCL 400.115b  
MCL 400.115b(5)  
MCL 552.605d  
MCL 552.605d(1)  
MCL 552.605d(1)(i)  
MCL 552.605d(3)  
MCR 3.205(B)(2)

SCAO ADM 2005-04  
SCAO ADM 2008-01  
SCAO ADM 2012-07  
SCAO ADM 2012-10

**ATTACHMENTS:**

None

**EPF/MBG**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-012**

**TO:** All Friend of the Court (FOC) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** June 25, 2014

<b>UPDATE(S):</b>	
<input type="checkbox"/>	Manual
<input checked="" type="checkbox"/>	Form(s)

**SUBJECT:** Revised Expiration Date on the *National Medical Support Notice* (NMSN) Part A

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** July 3, 2014

**PURPOSE:**

This IV-D Memorandum announces a revision to the expiration date on the NMSN Part A and the July 3, 2014 implementation of this revision in the following Michigan Child Support Enforcement System (MiCSES) forms:

- *National Medical Support Notice* (FEN302); and
- *Combination Income Withholding for Support and National Medical Support Notice* (FEN58X).

Note: The FEN58X includes a copy of the FEN302. Therefore, any changes made to the FEN302 are also made to the FEN58X.

**DISCUSSION:**

The federal NMSN is the federally approved and mandated form used to enforce health care coverage.<sup>1</sup> Federal regulations require IV-D agencies to use the NMSN to enforce health care coverage where appropriate.<sup>2</sup>

<sup>1</sup> Michigan uses the NMSN to enforce against both non-custodial parents and custodial parents.

<sup>2</sup> 45 Code of Federal Regulations (CFR) 303.32(a)

The federal NMSN consists of two parts: Part A and Part B. Part A allows the employer to respond that health care coverage is not available to the employee. Part B allows the plan administrator to respond when the employer has enrolled the dependent(s) in available health care coverage. The NMSN (FEN302) generated in MiCSES is comprised of Part A, Part B and a Michigan-specific addendum (FEN302A).

The federal [Office of Child Support Enforcement \(OCSE\) Action Transmittal \(AT\)-14-01, Distribution of Federally Approved National Medical Support Notice - 2014](#) announced a revised expiration date on the NMSN Part A. It has been changed from 03/31/2014 to 08/31/2016. This change will be reflected in the FEN302 in MiCSES after 5 p.m. on July 3, 2014.

**NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. This IV-D Memorandum obsoletes the previous version of the FEN302 (Rev. 12/13), which was published with IV-D Memorandum 2013-029, *Revisions to the National Medical Support Notice (NMSN)*.

**REVIEW PARTICIPANTS:**

Enforcement Work Improvement Team  
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**CC:**

All Prosecuting Attorney staff

**SUPPORTING REFERENCES:**

45 CFR 303.32(a)

OCSE AT-14-01

**ATTACHMENT:**

FEN302: *National Medical Support Notice*

**EPF/VW**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-013

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** June 2, 2014

**SUBJECT:** Updates to *Michigan IV-D Child Support Manual* Sections 2.05 and 3.03 Regarding IV-D Application Processing and Managing Associations Between Applicants and Michigan Child Support Enforcement System (MiCSES) Records

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

#### **PURPOSE:**

In April 2014, OCS made electronic applications for IV-D services (e1201s) available to the public. The online application process permits applicants to convey information necessary for the creation of a IV-D case through an interview-style interface. When an applicant completes the online application, the system produces electronic (PDF) copies of the *IV-D Child Support Services Application/Referral* (DHS-1201) form, much like the paper DHS-1201 application.

Beginning with the MiCSES 8.8 Release on June 6, 2014, MiCSES will automatically process e1201s completed by applicants. Using a process similar to one used for referrals of public assistance recipients, MiCSES will match applicants to existing MiCSES members and IV-D cases, initiate appropriate workflow, and alert IV-D staff to new and changed information that may warrant action.

This memorandum introduces updates to Section 2.05, "Referrals and Applications," of the *Michigan IV-D Child Support Manual*. Section 2.05 now describes a uniform intake process for both automated referrals and electronic applications for IV-D services, and clarifies aspects of processing paper applications for IV-D services.

#### **UPDATE(S):**

Manual

Form(s)

Section 2.05 also incorporates some policy from IV-D Memorandum 2014-006, *Statewide Implementation of the Online IV-D Child Support Services Application/Referral (e1201)*. Additional e1201 policy from IV-D Memorandum 2014-006 will be incorporated into Section 1.35, “MiCase,” of the *Michigan IV-D Child Support Manual* in the near future.

Exhibit 2.05E1 has been updated to include details on member-match processes used when processing:

- Individuals referred for or applying for IV-D services; and
- Persons receiving unemployment benefits.

This memorandum also introduces updates to Section 3.03, “Case Updates and Member Demographics,” to inform IV-D staff who manage Bridges/MiCSES member associations that they are likewise responsible for managing associations between applicants and their MiCSES records.

In Sections 2.05 and 3.03 and in Exhibit 2.05E1, significant changes in content since the last publication of these materials are indicated by a change bar in the right margin. Some of the content has been reorganized; however, reorganized subsections are not identified with change bars. New subsections incorporated from prior IV-D Memorandums are not identified with change bars unless they have policy changes.

This memorandum also introduces updates to the following forms/publications:

- *Application Status Letter* (DHS-1202);
- *Understanding Child Support: A Handbook for Parents* (DHS-Pub 748); and
- MiCSES templates OCS1202, OCS1201P, and OCSPAMP.

## **DISCUSSION:**

### **A. Automated Processing of Electronic Applications**

The e1201 allows applicants<sup>1</sup> to electronically apply for IV-D services. The e1201 uses a self-directed, interview-style approach<sup>2</sup> to guide applicants through the application process. It allows for increased accessibility, efficiency and convenience for parties, IV-D staff and partner agencies. The *IV-D Child Support Services Application/Referral* (DHS-1201) paper application is still available; the e1201 does not replace the DHS-1201. The e1201 initiative supports the [Michigan Child Support Program’s 2013-2017 Strategic Plan](#) goals of enhancing customer service and improving business practices through the use of innovative technology.

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<sup>1</sup> “Applicant” is used throughout this IV-D Memorandum to mean a person who is applying for IV-D services and is not intended to include a person who was referred by Michigan’s public assistance or child welfare programs or another state’s IV-D program for IV-D services.

<sup>2</sup> This is a similar approach taken by self-guided/directed, context-sensitive software, such as some types of tax return software.

Beginning with the MiCSES 8.8 Release, MiCSES will automatically take action on e1201s submitted by both custodial party (CP) and non-custodial parent (NCP) applicants. MiCSES will use a process similar to the processing of referrals from Bridges to:

- Match applicants', other parents', and dependents' demographic information to existing MiCSES member records;
- Match CP, NCP, and dependent combinations to existing MiCSES cases;
- Create new IV-D cases as necessary;
- Create activity within SSACT (the Support Specialist Case Activity Chain) to alert OCS support specialist staff of new IV-D cases;
- Create alerts as necessary to inform PA or FOC IV-D staff of changes to existing IV-D cases that may warrant action; and
- Apply demographic information provided by the applicant to new or existing MiCSES members.

Section 2.05 of the *Michigan IV-D Child Support Manual* describes this process and how it varies from the process used for referrals of public assistance recipients.<sup>3</sup>

Note: MiCSES is currently unable to automatically add the child's conception information from the e1201 to the IV-D case. The support specialist must login to MiCase as a global user<sup>4</sup> and view the completed online DHS-1201 in order to get the conception information and add it to the IV-D case.

Other changes related to automated application processing are explained below.

#### 1. NCP Identification

The e1201 asks the applicant about marital status. Initially, with the MiCSES 8.8 Release, MiCSES case-matching of e1201 applications will use the NCP identified as the biological father, even if the applicant states that the child was conceived or born during a marriage and identifies a spouse in the marital information who is different than the identified NCP.<sup>5</sup>

With the MiCSES 8.8.1 Release, currently scheduled for July 11, 2014, the e1201 will continue to contain both the NCP identified as the biological father and

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<sup>3</sup> Currently, Medicaid-only cases are not being referred to the child support program as a result of the changes to the Medicaid application mandated by the Affordable Care Act (ACA). However, OCS did not modify the instructions in Section 2.05 pending a final solution to this issue. Ref: [IV-D Memorandum 2014-005, The Affordable Care Act \(ACA\) and the Impacts on the Michigan IV-D Program](#) for more information.

<sup>4</sup> Ref: [Section 1.35 of the Michigan Child Support IV-D Manual](#) for more information.

<sup>5</sup> The e1201 considers children as products of a marriage if they are born after a marriage date or as late as 10 months after a divorce date. During the e1201 facilitated soft launch prior to statewide implementation of the e1201, fewer than six percent of applicants identified a different biological father when the child was conceived or born during a marriage.

the applicant-provided marital information. If the child was conceived or born during the marriage and the NCP identified as the biological father differs from the spouse identified in the marital information, MiCSES will consider the NCP as unknown. If MiCSES creates a new IV-D case based on the e1201 application in this circumstance, the NCP on the new IV-D case will likewise be unknown. MiCSES case-matching processes may find an existing IV-D case with the known NCP based on matching CP and dependent information and retain the known NCP.

Support specialist staff must log into MiCase as a global user to view the completed online DHS-1201 when processing new IV-D cases with unknown NCPs created from e1201 applications.<sup>6</sup>

## 2. Case Pool Match

When processing electronic referrals for IV-D services and e1201 applications, MiCSES searches for the existing MiCSES case that most closely matches the CP, NCP, and dependent(s). Prior to the MiCSES 8.8 Release, MiCSES performed this match using one matching MiCSES member for each role. When more than one MiCSES member was a good match, the case-matching process did not always choose the most appropriate MiCSES case to use for further steps.

Beginning with the MiCSES 8.8 Release, MiCSES will consider, or pool, all the MiCSES members who match to the referral or application participants in a CP, NCP, or dependent role. MiCSES will then choose the case that best matches from all pooled members, and select the case that has proceeded furthest toward a support order. This improvement requires no additional action by IV-D staff, but it is anticipated to reduce the incidence of referrals causing reopened workflow and alerts on IV-D cases when another case is a more appropriate match.

## 3. *Application Status Letter* (DHS-1202) Changes

Previously published policy directed support specialist staff to use the DHS-1202 only in response to applications from NCPs.

However, because applications from CPs also may warrant a response asking for more information or informing the applicant of an existing IV-D case, IV-D staff will now use the DHS-1202 in response to applications from CPs. Additionally, for e1201 applications, MiCSES will automatically evaluate the application and may issue a DHS-1202 (MiCSES template OCS1202) for both CP and NCP applications, if needed.

MiCSES will issue one DHS-1202 per electronic interview, even when the interview results in multiple combinations of CP/NCP/dependent(s), to assist

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<sup>6</sup> Ref: Subsections 5.2 and 5.5.3 of Section 2.05 for more information.

applicants and reduce mailing costs. However, MiCSES will send a separate DHS-1202 for each combination of CP/NCP/dependent(s) in order to protect confidentiality if an NCP application warrants a response indicating that:

- A different legal father already exists for a child;
- The applicant was already excluded as the father by genetic testing; or
- The case cannot proceed due to good cause.<sup>7</sup>

#### 4. DHS-Pub 748, OCSPAMP, and OCS1201P Changes

These publications/forms provide child support applicants an introduction to the child support program. OCS has updated them to reflect the new option to apply for IV-D services using the online application. These publications/forms also encourage applicants to use the online application as the preferred and easiest way to apply for child support services. In addition, the OCSPAMP and DHS-Pub 748 have been updated to include Visa credit cards as an acceptable payment method for child support.<sup>8</sup>

IV-D staff will print the updated DHS-Pub 748 and make it available to IV-D staff after the current inventory of pamphlets is gone. The OCSPAMP and OCS1201P<sup>9</sup> will be updated in MiCSES at a later date. These updates will be announced in a hotline message.

### **B. Shared Responsibility for IV-D Applications**

Section 2.05 of the *Michigan IV-D Child Support Manual* contains existing policy for all IV-D staff about the handling of requests for applications for IV-D services and the processing of IV-D applications after they are received. Section 2.05 now incorporates specific instructions for recording the receipt of IV-D applications. These instructions were previously published in [IV-D Memorandum 2013-001, Self-Assessment \(SASS\) Audit – Establishment of Paternity and Support Order \(Establishment\) Program Compliance Criteria Corrective Action Plan \(CAP\)](#).

OCS has revised Section 2.05 to emphasize that all IV-D offices must:

- Maintain an adequate stock of DHS-1201 forms so that persons who request applications for IV-D services may receive them immediately, or within five business days if the request is made by telephone;

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<sup>7</sup> The DHS-1202 does not disclose good cause. It instead informs the applicant that “The custodial party’s request for not pursuing paternity and/or child support for this child(ren) has been approved. No further paternity and/or child support action can be taken.”

<sup>8</sup> The Michigan State Disbursement Unit (MiSDU) expects this payment method to be available to payers in early June 2014. IV-D workers will be notified via a hotline message when this payment method is available.

<sup>9</sup> The OCS1201P is a MiCSES template that consists of both the *IV-D Child Support Services Application/Referral* (OCS1201) and the OCSPAMP.

- Enter the date of the request on the DHS-1201 before handing it to the requester or mailing it; and
- Enter the dates on which the application was requested, sent, and returned on the MiCSES *Case Member Details* (CASE) screen when processing a DHS-1201 or its equivalent.

### **C. Updated Responsibilities for Referral Matchmakers**

Existing policy in Section 3.03 of the *Michigan IV-D Child Support Manual* describes steps that IV-D staff must take to obtain the RESR Resolver and Referral Matchmaker roles in MiCSES. The Referral Matchmaker role was previously described in Section 3.03 as the IV-A / IV-D Matchmaker. Because the role is used for more than Bridges referral processing, OCS and MiCSES staff updated the role's name.

OCS has amended Section 3.03 to clarify that IV-D staff who hold the RESR Resolver and Referral Matchmaker roles can make necessary adjustments to associations between the electronic records of persons appearing on e1201 applications and MiCSES individuals.

### **D. Updated Exhibit: Member Match Matrix**

In 2013, OCS introduced new unemployment income withholding enhancements in [IV-D Memorandums 2013-017 and 2013-018](#). The process used to match unemployment claimants and claims from Michigan's Unemployment Insurance Agency (UIA) to MiCSES members mirrors the process used to match persons on Bridges referrals to MiCSES members. Exhibit 2.05E1, Member Match Matrix, has been updated to reflect how UIA matching will process MiCSES members' correlations with UIA-provided demographic information. This information reflects policy in Section 6.03, "Income Withholding," of the *Michigan IV-D Child Support Manual*.

### **E. IV-D Staff Responsibilities for Reopening Cases and New Time Frames for Additional Information Requests**

Previously published policy describing when to reopen a closed IV-D case in response to an application from an NCP differed slightly from that for reopening a closed IV-D case in response to a referral. These procedures are now consistent in Section 2.05.

Additionally, when IV-D staff request additional information from an applicant for IV-D services who does not receive public assistance, they must allow 60 calendar days for a response before beginning case closure procedures. The previous requirement was 30 calendar days.

**NECESSARY ACTION:**

Review Sections 2.05 and 3.03 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print the manual sections and Exhibit 2.05E1 and add them to the manual. Discard the previously published versions of Section 2.05 (published April 4, 2011), Exhibit 2.05E1 (published October 2010), and Section 3.03 (published August 31, 2012).

With the publication of this memorandum and revised manual sections, *Combined IV-D Policy Manual* sections 4DM 105, *IV-D Eligibility Item 105*, and 4DM 110, *IV-D Case Initiation and Establishment* are obsolete. Additionally, *Friend of the Court Manual* section FOC 120, *Support Specialist Functions and Referrals* and its exhibit, FOC 120X1, *CSES Court Action Referral*, are obsolete.

Note: The online *Combined IV-D Policy Manual* and the *Friend of the Court Manual* are revised only at designated times. Therefore, items from these manuals will be deleted with the next scheduled revision of the manuals, which may not occur for several months.

**REVIEW PARTICIPANTS:**

Case Management Work Improvement Team (CM-WIT)  
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**CC:**

None

**ATTACHMENTS:**

Section 2.05:	Referrals and Applications
Exhibit 2.05E1:	Member Match Matrix
Section 3.03:	Case Updates and Member Demographics
OCS1202 / DHS-1202:	<i>Application Status Letter</i>

OCSPAMP / DHS-Pub 748:

*Understanding Child Support – A Handbook  
for Parents*

**EPF/AER**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-014**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** June 16, 2014

**SUBJECT:** Self-Assessment (SASS) Audit – Establishment of Paternity and Support Order (Establishment) Program Compliance Criteria Corrective Action Plan (CAP)

<p><b>UPDATE(S):</b></p> <p><input type="checkbox"/> Manual</p> <p><input type="checkbox"/> Form(s)</p>
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**RESPONSE DUE:** July 25, 2014 for select offices

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum provides information related to the fiscal year (FY) 2013 SASS audit and findings:

- A brief overview of the SASS audit process;
- An explanation of the SASS audit findings;
- The Establishment program compliance criteria findings;
- The Establishment program compliance criteria regulations and rules;
- An overview of Michigan’s Establishment program compliance CAP;
- An explanation of the required local office CAPs for counties with audit findings;
- An explanation of the required actions for all FOC and PA offices; and
- An explanation of the required webinar for all FOC and PA offices.

OCS published information about FY 2011 SASS audit findings, Establishment program compliance criteria findings, and Michigan’s Establishment CAP in IV-D Memorandum 2013-001 on January 8, 2013. Significant changes since the publication of IV-D Memorandum 2013-001 are indicated by a change bar in the right margin of this memorandum.

## **DISCUSSION:**

### **A. SASS Audit**

Federal regulations require the Michigan child support program to perform a yearly SASS audit to ensure its compliance with eight program compliance criteria:

- Case closure;
- Disbursement of collections (Disbursements);
- Expedited processes;
- Establishment of paternity and support order (Establishment);
- Review and adjustment of orders (Review and adjustment);
- Enforcement of orders (Enforcement);
- Securing and enforcing medical support orders (Medical); and
- Intergovernmental services (Intergovernmental).<sup>1</sup>

OCS compiles the audit results in a [SASS report](#), which the Program Leadership Group (PLG) may use to identify the program's strengths, weaknesses and best practices. The PLG's review can also provide insight regarding potential impacts resulting from changes to business processes and the Michigan Child Support Enforcement System (MiCSES).

### **B. Overall SASS Audit Findings**

The Michigan child support program must meet the federal benchmark for each program compliance criterion to satisfy federal regulations. To determine whether the criteria meet the federal benchmarks, OCS forms a SASS team to review case samples.

In FY 2013, Michigan met or exceeded each federal benchmark with the exception of Establishment. The following table shows Michigan's compliance percentages (with margin of error) compared to the federal benchmarks.

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<sup>1</sup> Ref: Subsection 454(15) of the Social Security Act and 45 Code of Federal Regulations (CFR) 308.2.

Program Compliance Criteria	Sample Size	Compliance Rate	Federal Benchmark	*Margin of Error
Case closure	499	96.19%	90%	+/- 1.45%
Disbursements	1,027	100%	75%	+/- .11%
Expedited processes – 6 or 12 months	288	98.26% / 100%	75% / 90%	+/- 1.41% / .40%
Establishment	529	54.63%	75%	+/- 3.55%
Review and adjustment	293	97.27%	75%	+/- 1.67%
Enforcement	339	96.76%	75%	+/- 1.66%
Medical	375	94.40%	75%	+/- 2.0%
Intergovernmental	328	90.24%	75%	+/- 2.72%

\*Note: The SASS audit review process requires the analysis of a random selection of a limited number of cases. Due to the small number of selected cases relative to the total number of open IV-D cases, the sampling must meet a statistical margin of error. For the sample size to be considered statistically relevant, the margin of error must be less than +/-5 percent.

Failure to meet federal benchmarks results in a federally imposed and monitored CAP for the state. If the state fails to correct deficiencies identified in previous SASS audits, the federal Office of Child Support Enforcement (OCSE) will conduct an audit to determine compliance with the federal requirements.<sup>2</sup> A state will be subject to a financial penalty under Title IV-A of the Social Security Act when the results of a federal OCSE audit show that the state failed to substantially comply with one or more of the federal requirements of the IV-D program.<sup>3</sup> Consequently, Michigan must act aggressively to resolve any audit findings.

### C. Establishment Criteria – FY 2013 Findings

To determine whether Michigan met the federal regulations and timeframes for the Establishment criteria, the SASS team reviewed 529 statewide sample cases with court orders established in FY 2013. Michigan’s compliance rate was 54.63 percent for the 529 Establishment sample cases, with a +/- 3.55 percent margin of error, based on a 90 percent confidence level.

OCS speculates that staff turnover, insufficient staff levels, and outdated intake processes may have contributed to the drop in the Establishment compliance rate. In addition, a portion of public assistance cases that were automatically set to

<sup>2</sup> Ref: Subsection 454(15) of the Social Security Act and 45 CFR 305.60.

<sup>3</sup> Ref: 45 CFR 305.61.

noncooperation and a backlog of incoming public assistance cases led to delays and rework on the same cases.

#### D. Establishment Criteria – Federal Regulations and Timeframes

There are three federal Establishment criteria regulations that must be met: the 20-day case open timeframe, the 75/90-day locate timeframe, and the 90-day service of process (SOP) timeframe.<sup>4</sup> These rules are described below.

1. **20-day case open timeframe:** IV-D staff must open a IV-D case within 20 calendar days of receiving either a request for IV-D services (application) such as the *IV-D Child Support Services Application/Referral* (DHS-1201) or a comparable document developed by the FOC, or a public assistance referral.<sup>5</sup>

Note: An application is not required if there is a public assistance referral. MiCSES automatically opens a IV-D case when a public assistance referral is received through the Bridges/MiCSES interface.

IV-D staff must open the IV-D case within 20 calendar days of receipt of the application. The date the IV-D agency **received** the application<sup>6</sup> must be entered in the *App Returned Date* field on the *Case Member Details* (CASE) screen. Analysis of the FY 2013 SASS data determined that 78 percent of Michigan's failed Establishment criteria were due to staff errors in the MiCSES *App Returned Date* field or because the case open date did not meet the required 20-day timeframe. Most of these errors occurred at the FOC offices while opening divorce or custody cases. To prevent future errors related to the use of the MiCSES *App Returned Date* field, IV-D staff must take the following actions:

- a. Enter the date the IV-D agency received the application in the *App Returned Date* field on the CASE screen and open a IV-D case within 20 days of that date. When a IV-D application has been received, IV-D staff must not delay opening a IV-D case until a court order is obtained and entered on MiCSES.
- b. Open a case as a non-IV-D case on MiCSES when:
  - 1) No IV-D application has been received; or
  - 2) There is no associated public assistance case.

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<sup>4</sup> The three Establishment timeframes, along with MiCSES screens and fields used in the SASS Establishment case review process, are detailed in [Exhibit 2014-014E1: Michigan Office of Child Support: Self-Assessment Audit – Establishment Criteria](#).

<sup>5</sup> For information related to applying for IV-D services, refer to [Section 2.05, "Referrals and Applications," of the Michigan IV-D Child Support Manual](#).

<sup>6</sup> IV-D staff must use the date the application for services was received in the IV-D office. For paper applications, staff must use the "date-stamp" on the document – not the date the application was mailed or signed, pursuant to *Michigan IV-D Child Support Manual*, Section 2.05, Subsection 3.3.2.

- c. Enter the date a new MiCSES case was **opened** in the *App Returned Date* field (instead of entering the date an application was received) if all of the following are true:
- 1) The payee and payer on an order are listed as a custodial party (CP) and non-custodial parent (NCP) on a pre-existing IV-D case; and
  - 2) The payee and the payer (CP and NCP) switch roles pursuant to a change in the order; and
  - 3) The children remain the same.

In these situations, staff must enter a note on the *Notes Processor* (NOTE) screen explaining the *App Returned Date* entry. Staff must **not**:

- Use the IV-D application return date from the pre-existing IV-D case; or
- Request a new IV-D application.

MiCSES does not permit payee and payer role reversals on a pre-existing MiCSES case. So, staff must create a new MiCSES case if these roles reverse. By opening the new MiCSES case as a IV-D case, staff will ensure that services will continue based on the previous IV-D application received.<sup>7</sup>

- d. Leave the *App Returned Date* field blank when any child on a IV-D case received public assistance per the *Member Assistance History* (MAHI) screen.
- e. Do not change an existing date in the *App Returned Date* field when:
- A new IV-D application is received; or
  - The MAHI screen indicates any child on the IV-D case was receiving public assistance at the time the IV-D case was opened.

## 2. **75/90-day locate timeframe:**

IV-D staff must ensure that:

- a. Locate activities for the NCP begin within 75 days of the case open date or the locate status of the NCP changes; and
- b. Locate activities must continue every 90 days thereafter until the NCP is located or there is a change in case conditions, such as case closure.<sup>8</sup>

During the SASS audit, reviewers determined that Michigan IV-D staff failed the locate rule in 2 percent of the sample cases. Most of the locate errors occurred because repeated locate services were not completed on a quarterly basis after the initial locate attempt, and/or the automated locate process was disrupted in

<sup>7</sup> Section 2.05 of the *Michigan IV-D Child Support Manual* further explains this policy directive.

<sup>8</sup> Ref: [Combined IV-D Policy Manual, 4DM 200, Regulatory and Statutory Location Requirements](#).

MiCSES. Generally, cases failed because no locate services occurred for a long period of time following the IV-D case open date.

3. **90-day SOP timeframe:** IV-D staff must establish a support order or complete SOP within 90 calendar days of locating an NCP, or they must document on MiCSES a minimum of three unsuccessful SOP attempts if SOP is not completed within 90 days.<sup>9</sup> IV-D staff must record all SOP attempts and successful service dates on the *Service of Process* (LSOP) screen. IV-D staff must provide additional notes about SOP on the NOTE screen. The following information applies to the SOP:
  - a. The federal requirement of 90 days from location of the NCP is in conflict with Michigan Court Rules that specify 90 days from the **complaint filed date**. IV-D staff must track timeframes according to the **federal regulation**.
  - b. To monitor the federal timeframe for SOP, IV-D staff will use the *Federal Expiration Date*<sup>10</sup> on the LSOP screen.<sup>11</sup> The *Federal Expiration Date* displays the date that federal regulations require due diligence for the federal SOP timeframe to be satisfied. MiCSES initially calculates this date as the *Legal Case* (LCSE) screen's *CAR Compliance Date*<sup>12</sup> plus 90 days. When an NCP becomes not located,<sup>13</sup> the *Federal Expiration Date* will not change. However, when the NCP becomes relocated, MiCSES will recalculate the *Federal Expiration Date* as the NCP's *Locate Date* on the *Member Address History* (AHIS) screen plus 90 days.

1) *CAR Compliance Date*<sup>14</sup>

When a CAR is first generated and sent to the PA, the *CAR Compliance Date*<sup>15</sup> automatically populates on the LCSE screen with the most recent date on which one of the following four events occurred:

- The locate date of the NCP;
- The IV-D case open date;
- The date the last child was added to the IV-D case; or
- The date the NCP was added to the IV-D case.

Once the *CAR Compliance Date* is set in MiCSES, it will not change. It is designed to remain the same even if the NCP becomes not located,

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<sup>9</sup> Ref: [Section 2.20, "Court Action Referrals \(CARs\)," of the Michigan IV-D Child Support Manual.](#)

<sup>10</sup> The *Federal Expiration Date* is further explained in the [MiCSES 8.6 Release Notes](#) (December 6, 2013) and in the [LG20 Modify Service of Process training webcast.](#)

<sup>11</sup> Section 2.20 of the *Michigan IV-D Child Support Manual* will be revised with information about the *Federal Expiration Date* in the future.

<sup>12</sup> Ref: Section D(3)(b)(1) of this memorandum.

<sup>13</sup> Ref: Section D(3)(b)(2) of this memorandum.

<sup>14</sup> Ref: Section 2.20 of the *Michigan IV-D Child Support Manual.*

<sup>15</sup> Ref: Section 2.20 of the *Michigan IV-D Child Support Manual.*

and then later becomes located. In cases where an NCP remains located, IV-D staff must meet the federal SOP requirement within 90 calendar days from the *CAR Compliance Date*.

## 2) NCP Becomes Not Located

If the NCP cannot be served because (s)he cannot be located, IV-D staff must attempt to locate the NCP.

An NCP may become not located after the *CAR Compliance Date* has been initially set by MiCSES. If this occurs, the NCP's mailing and residential addresses on the AHIS screen **and** employers on the *Member Employment History* (EHIS) screen must be end-dated for the NCP to be considered not located.<sup>16</sup> The NCP's *Locate Status*<sup>17</sup> on the AHIS and EHIS screens will then change to "N" (not located). When the NCP's *Locate Status* on the AHIS screen is "N," the federal 90-day timer will stop and cannot be used to recalculate the *Federal Expiration Date* until the NCP is relocated.

When the NCP is relocated, and an address and the new *Locate Date* are shown on the AHIS screen, the NCP's *Locate Status* will change from "N" to "L" (located). If the NCP's *Locate Status* changes from "N" to "L" after the *CAR Compliance Date* is initially populated on the LCSE screen, the LSOP screen's *Federal Expiration Date* will display the NCP's *Verified Locate Date* on the AHIS screen plus 90 days.<sup>18</sup> IV-D staff must use the recalculated *Federal Expiration Date* to monitor the federal timeframe for SOP.

Location dates on MiCSES may be different from screen to screen for many reasons, including CAR rejection by IV-D staff. When subsequent MiCSES NCP locate dates are entered into MiCSES, the **latest** MiCSES locate date prior to a court order being established will mark the beginning of the SOP timeframe.

- c. Using the location and tracking dates identified above and any notes on the NOTE screen regarding SOP attempts, SASS reviewers determined SOP was not completed timely for 20 percent of the Establishment case reads in FY 2013. Some of the Establishment case reads for SOP indicated IV-D staff made SOP attempts a few days beyond the 90-day requirement, while other Establishment case reads indicated IV-D staff made SOP attempts well beyond the 90-day timeframe. The review also showed that not all IV-D staff

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<sup>16</sup> When an NCP has multiple cases, IV-D staff must ensure that other cases are not negatively affected when end-dating addresses or employers on one of the NCP's cases.

<sup>17</sup> The NCP's current *Locate Status* can also be seen on the LSOP screen.

<sup>18</sup> Ref: Section D(3)(b) of this memorandum.

used the LSOP screen to enter the SOP attempt dates and successful service dates.

## **E. Michigan's Establishment Corrective Action Plan (CAP)**

In FY 2011, OCS implemented an Establishment CAP because Michigan failed to meet the federal benchmark for the Establishment criteria. However, in FY 2012, a CAP was no longer necessary because many of the FY 2011 CAP initiatives were already implemented or in progress. Now, OCS must submit a new CAP to the federal OCSE on a quarterly basis due to non-compliance with the Establishment criteria in FY 2013. The CAP will continue until Michigan has increased its Establishment criteria compliance to 75 percent or better.

OCS staff developed a statewide CAP to address deficiencies in case/CAR processing and system procedures for the 20-day case open rule and the 90-day SOP rule. The statewide CAP targets outreach, changes in MiCSES, IV-D policy and procedures, training, reports, and monitoring in these two areas. In addition, for offices with Establishment findings for FY 2013, a local office CAP is required.<sup>19</sup> The issuance of this IV-D Memorandum will serve as part of the CAP, and IV-D staff must ensure state and local office practices comply with this memorandum. Many outreach efforts to share information about the audit findings and CAP will be completed, including:

- Presentations at:
  - The Friend of the Court Association conference;
  - The Prosecuting Attorneys Association of Michigan conference;
  - OCS staff meetings; and
  - The Michigan Family Support Council (MFSC) conferences.
- Meeting with Work Improvement Teams (WITs) and the Performance Management Workgroup to discuss the CAP.

CAP activities include the following:

### 1. CAP for the 20-day case open timeframe

- a. County FOC, PA and state directors<sup>20</sup> must ensure IV-D staff complete the following within the required timeframes as outlined in IV-D policy and within this memorandum:
  - 1) Accurately enter an application when there is no public assistance referral;
  - 2) Open a non-IV-D case in MiCSES when there is no application or public assistance referral; and

<sup>19</sup> Information about the local office CAP is in Section F of this memorandum.

<sup>20</sup> In this memorandum, the county PA office director is the family division chief.

- 3) Convert the non-IV-D case to a IV-D case when an application is received.
- b. Local offices with FY 2013 Establishment findings must complete a local office CAP and correct case errors. OCS will send a list of cases with errors to each office with audit findings;
  - c. All FOC offices must participate in an Establishment CAP webinar;
  - d. All FOC and OCS offices must review a list of non-assistance cases that were opened as a IV-D case in FY 2014, correct any cases that were entered incorrectly in MiCSES, and establish appropriate local office procedures for opening IV-D non-assistance cases in the future;
  - e. OCS Case Management established a dedicated team of support specialists to process paper DHS-1201 applications;
  - f. OCS Case Management will hire a performance management specialist to review quality assurance in OCS's application processing area;
  - g. OCS staff implemented a new scanning and screening process to reduce applications from customers who already have a IV-D case and to streamline new application processing;
  - h. MiCSES staff revised screens to include the Bridges referral date for public assistance cases and a note when the case was opened;
  - i. OCS launched an online application (online DHS-1201) that uploads the application return date into MiCSES, and OCS encourages use of the online application over the paper application;
  - j. OCS staff revised *Michigan IV-D Child Support Manual* Section 2.05 with the new online DHS-1201 information, along with instructions for entering a paper application on MiCSES;
  - k. OCS staff improved processing timeframes for applications and eliminated the backlog of applications; and
  - l. OCS Planning and Evaluation staff entered Help Desk tickets requesting MiCSES enhancements to the Bridges referral history process and screen edits regarding the *App Returned Date* field in MiCSES.
2. CAP for the 90-day SOP timeframe
    - a. Local IV-D office directors must ensure Establishment staff complete SOP attempts within the required timeframes and enter all SOP attempts on MiCSES as outlined in IV-D policy and within this memorandum;
    - b. PA or FOC offices with Establishment errors in FY 2013 must complete a local office CAP and correct case errors. OCS will send a list of cases with errors to each office with audit findings;
    - c. All PA and FOC offices must attend an Establishment CAP webinar;
    - d. MiCSES staff edited screen functionality to require mandatory completion of SOP attempts during the court order entry process;
    - e. OCS training staff revised new PA worker training, created advanced PA worker training to include information on the federal regulations regarding the Establishment criteria, and created a webcast about modifying SOP; and

- f. OCS Planning and Evaluation staff entered Help Desk tickets requesting MiCSES and Data Warehouse report enhancements that will support SOP monitoring.

Much progress has been made on the FY 2013 Establishment CAP. OCS will continue to implement the actions in the CAP and will monitor progress. OCS will continue these activities until the Michigan child support program meets or exceeds the federal benchmark for the Establishment criteria.

## **F. Required Local Office CAP for Counties With Audit Findings**

Each local office with Establishment errors in the FY 2013 audit must implement a local office CAP to take corrective actions on specific cases, if possible, and to identify actions to eliminate future Establishment errors. All FOC and PA offices with errors in the FY 2013 audit will receive a list of the cases with errors. OCS will send the list to county Local Options Administrators (LOAs) in the fourth week of June 2014.

Note: All affected FOC and PA offices must implement a CAP – this includes offices with one or two cases with errors, since these errors contributed to the overall negative audit results.

County offices must document their CAP on the [Michigan Office of Child Support: Local Office Establishment Corrective Action Plan \(CAP\) \(Exhibit 2014-014E2\)](#) (“Local Office CAP document”), obtain the county FOC or PA office director’s signature, and email the CAP to the county’s assigned OCS contract manager. The OCS contract manager must review and approve the local office CAP and monitor it to determine whether it has been initiated and is making progress toward Establishment improvements by the end of FY 2014. When the OCS contract manager determines that the county CAP has been met, the OCS contract manager will close the CAP.

The Local Office CAP document has seven sections. Sections 1-4 are completed by the county office, and sections 5-7 are completed by the county’s OCS contract manager. The sections of the Local Office CAP document and the CAP approval process are described below.

1. **Audit Information Table:** This table lists the CAP due date, audit name, compliance area, and audit period. Local office staff will complete the county name, office (PA or FOC), and local office director’s name.
2. **Corrective Action Table:** Local office staff must complete this table using the list of cases with errors in the FY 2013 audit that their county received from OCS. For each case, they will list the IV-D case number, type of audit finding, and

corrective action(s). Staff must not include FY 2014 cases in this table.<sup>21</sup> Additional rows in the table may be added as needed.

Note: If no corrective actions are necessary for a case, local office staff must enter “None are needed at this time,” and the reason for not completing any action, in the Corrective Action(s) column.

3. **Future Corrective Action Table:** Local office staff must list corrective actions they will take to prevent audit findings in the future, along with completion dates for these actions. Additional rows in the table may be added as needed.

Examples of corrective actions to prevent future audit findings could include:

- a. Reviewing and complying with policy in IV-D Memorandum 2014-014 and Section 2.05 of the *Michigan IV-D Child Support Manual*;
  - b. Attending the Establishment CAP webinar; and
  - c. Changing current office practices to comply with the required policy.
4. **Local Office Director Signature Table:** In this table, the director of the county FOC or PA office will print and sign his/her name and enter the date of his/her signature. The local office director will also provide his/her telephone number, which OCS staff may call for any questions about the CAP. By completing and signing this table, the local office director agrees to implement the corrective actions in the CAP by the completion dates indicated.
  5. **OCS CAP Approval Table:** The county’s OCS contract manager will print and sign his/her name in this table and enter the date of his/her signature. The OCS contract manager will also enter his/her direct telephone number. By completing and signing this table, the OCS contract manager approves the local office CAP for initiation.
  6. **OCS CAP Monitoring Table:** The OCS contract manager will print and sign his/her name and enter the signature date as well as his/her direct telephone number. The OCS contract manager will complete this table when (s)he has contacted the local office and determined that the local office CAP has been completed and the issue has been resolved.
  7. **OCS Contract Manager Comments:** The OCS contract manager will list any additional notes here. Additional pages may be added if necessary.

After local office staff complete sections 1-4 of the Local Office CAP document and obtain the local office director’s signature, the document must be scanned and emailed to the county’s OCS contract manager by **July 25, 2014**.

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<sup>21</sup> Section G later in this memorandum describes a list of 2014 non-public assistance cases that will be sent to each FOC office.

The OCS contract manager will review the local office CAP to determine if the actions are compliant with Establishment policy and regulations and meet the overall statewide Establishment CAP requirements. When the OCS contract manager approves the CAP, (s)he will complete and sign Section 5 of the Local Office CAP document, scan the document, and email it to the local office director.

OCS contract managers will follow up on local office corrective actions in FY 2014, and OCS staff will monitor future case work for compliance in meeting the Establishment requirements. The county is expected to meet compliance by the end of FY 2014 (September 30, 2014). However, if a CAP has not been completed, monitoring of CAPs may continue beyond FY 2014. When the county has no further findings, the OCS contract manager will complete and sign Section 6 of the Local Office CAP document, scan the document, and email it to the local office director. The county's CAP for FY 2014 will then be closed.

#### **G. Required Actions for All FOC and PA Offices**

OCS will send **all FOC offices** a list of non-public assistance IV-D cases opened by them in 2014. Local office staff will review the case openings to proactively correct them on MiCSES, if necessary, or to align business practices with the federal regulations and policy before the FY 2014 SASS audit begins in October 2014. OCS will send the list to the FOC LOAs in the fourth week of June 2014.

OCS will send **all PA offices** a list of open CARs with SOP due within FY 2014 to review and align business practices to meet the federal regulations and policy. OCS will send the list to the PA LOAs in the fourth week of June 2014.

#### **H. Required Webinar for All FOC and PA Offices**

While every county office did not have errors in the FY 2013 audit, OCS reports show that most counties have issues with compliance in the Establishment areas noted in this memorandum. As a result, all FOC and PA offices are required to participate in an Establishment CAP webinar to gain an understanding of audit findings and required actions. The webinar will detail examples of county FOC and PA audit errors, information about the required CAP, and suggested corrective actions. Webinar attendance can be included as an action in the county's CAP. It will also serve as part of the statewide CAP.

Note: OCS staff will discuss audit findings internally for state offices with Establishment audit findings.

The Establishment CAP webinar will be offered via Adobe Connect four times – twice for PA staff, and twice for FOC staff. Each webinar will be limited to the first 100 staff who log into the site; therefore, only one person from each county office (FOC or PA) must register for one of the webinars. Additional county staff who participate along with the registered county person do not need to register for the

webinar. The registration will serve as proof of local office attendance for the webinar.

To register for the webinar, county staff must go to the Training tab on mi-support and click [Courses](#). In the list of courses that appears, they will click on the course titled “Self-Assessment Audit – Establishment Corrective Action Plan Webinar” and the appropriate webinar date.

The Adobe Connect Webinar Link: <https://miocs.adobeconnect.com/estcap/>

The Teleconference Information: 1-877-820-7831; Passcode: 352289

The following webinar dates and times are being offered:

- PA staff: Wednesday, June 25, 2014 from 9 a.m. to 10 a.m.
- PA staff: Wednesday, July 9, 2014 from 11 a.m. to 12 p.m.
- FOC staff: Wednesday, June 25, 2014 from 11 a.m. to 12 p.m.
- FOC staff: Wednesday, July 9, 2014 from 9 a.m. to 10 a.m.

The webinar will be recorded. After the webinar takes place, the link to the recorded webinar will be sent to webinar registrants and will be posted in the list of training courses on mi-support for future reference.

### **NECESSARY ACTION:**

Attend the Establishment CAP webinar; complete the Local Office CAP document, if required; initiate and complete corrective actions to improve Establishment; and retain this IV-D Memorandum until further notice.

This IV-D Memorandum replaces and obsoletes IV-D Memorandum 2013-001, *Self-Assessment (SASS) Audit – Establishment of Paternity and Support Order (Establishment) Program Compliance Criteria Corrective Action Plan (CAP)*. Exhibit 2014-014E1 replaces and obsoletes Exhibit 2013-001E1. Exhibit 2014-014E2 is a new exhibit.

### **REVIEW PARTICIPANTS:**

Establishment WIT  
Case Management WIT  
Performance Management Workgroup  
Program Leadership Group

### **CONTACT PERSON:**

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Office of Child Support  
[hewitte@michigan.gov](mailto:hewitte@michigan.gov)  
517-241-4147

**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
Subsection 454(15) of the Social Security Act  
45 CFR 305.60  
45 CFR 305.61  
45 CFR 308.2

State  
None

**ATTACHMENTS:**

2014-014E1: Michigan Office of Child Support: Self-Assessment Audit –  
Establishment Criteria

2014-014E2: Michigan Office of Child Support: Local Office Establishment  
Corrective Action Plan (CAP)

**EPF/EBH**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-016**

**TO:** All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** July 15, 2014

<b>UPDATE(S):</b>	
<input type="checkbox"/>	Manual
<input checked="" type="checkbox"/>	Form(s)

**SUBJECT:** Updates to the *Noncooperation Notice* (OCS1252)

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum explains a minor change to the *Noncooperation Notice* (OCS1252) that is generated by PA staff. This change will be effective in the Michigan Child Support Enforcement System (MiCSES) on July 18, 2014.

**DISCUSSION:**

When support specialists and PA workers determine that a custodial party is not cooperating with the child support program,<sup>1</sup> they generate the OCS1252, select the correct reason(s) for noncooperation on the notice, and send it to the custodial party.

The change to the OCS1252 involves the last sentence on the letter, which reads: "If you would like to cooperate, please contact the Office of Child Support at (866) 540-0008." When a PA worker generates the OCS1252, this sentence will be removed. The sentence is unnecessary because the PA version of the OCS1252 includes contact information for the PA office and may also include the name and phone number of the PA worker. When a support specialist generates the OCS1252, the last sentence will remain.<sup>2</sup>

<sup>1</sup> For information on determining noncooperation with the child support program, reference [Section 2.15, "Cooperation/Noncooperation/Good Cause," of the Michigan IV-D Child Support Manual.](#)

<sup>2</sup> The sample OCS1252 attached to this IV-D Memorandum is generated by the support specialist.

In addition, the revision date at the bottom of the notice will be changed from 12/13 to 07/14.

**NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. The revised OCS1252 (Rev. 07/14) obsoletes the previous version of the OCS1252 with a revision date of December 2013 (12/13).

**REVIEW PARTICIPANTS:**

Case Management Work Improvement Team  
Program Leadership Group

**CONTACT PERSON:**

Amy Rebideaux  
OCS Policy Analyst  
(517) 373-8541  
[rebideauxa@michigan.gov](mailto:rebideauxa@michigan.gov)

**CC:**

Friend of the Court Staff

**SUPPORTING REFERENCES:**

None

**ATTACHMENT:**

OCS1252: *Noncooperation Notice*

**EPF/AR/SM**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-018**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** August 20, 2014

**SUBJECT:** Updates to Expiration Dates on the Federally Approved  
Standard Intergovernmental Forms

<p><b>UPDATE(S):</b></p> <p><input type="checkbox"/> Manual</p> <p><input checked="" type="checkbox"/> Form(s)</p>
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**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

The federal Office of Child Support Enforcement (OCSE) recently announced that the expiration date has been changed to February 28, 2017 on the federally approved standard intergovernmental forms. These forms will be updated with the new expiration date in the Michigan Child Support Enforcement System (MiCSES) on August 22, 2014. The affected forms are:

- *Child Support Enforcement Transmittal #1 – Initial Request (FSA-200-1 or INTTRANS1<sup>1</sup>);*

Note: Sometimes the third page of this form is used by itself in MiCSES. In this instance, it is still referred to as the FSA-200-1, but its MiCSES template ID is INTACK1.

- *Child Support Enforcement Transmittal #2 – Subsequent Actions (FSA-200-2 or INTTRANS2);*

Note: Sometimes the third page of this form is used by itself in MiCSES. In this instance, it is still referred to as the FSA-200-2, but its MiCSES template ID is INTACK2.

<sup>1</sup> This is known as the MiCSES template ID.

- *Child Support Enforcement Transmittal #3 – Request for Assistance/Discovery* (FSA-200-3 or INTTRANS3);
- *Uniform Support Petition* (FSA-201 or INTSUPPET);
- *General Testimony* (FSA-202 or GENTEST);

Note: Sometimes this form is generated with its fields completed. In this instance, it is still referred to as the FSA-202, but its MiCSES template ID is GENTESTVER.

- *Affidavit in Support of Establishing Paternity* (FSA-204 or PATERNITYAFF);
- *Locate Data Sheet* (FSA-206 or INTLOCDS);
- *Registration Statement* (FSA-207 or INTREGSTMT); and
- *Notice of Determination of Controlling Order* (FSA-208 or INTNDCO). In addition to the modified expiration date, this form has been updated to reflect previous changes to the federal form. The word “Responding” has been added to the first group of fields for “FIPS Code,” “IV-D Case No.” and “Tribunal No.,” and the word “Initiating” has been added to the second group of these fields. Also, “IV-D Case Number” has been changed to “IV-D Case Identifier.” Minor formatting and punctuation changes have been made to match the federal form as well.

## **DISCUSSION:**

Federal regulations require all states to use federally approved forms in processing intergovernmental IV-D cases.<sup>2</sup> Michigan law specifies that when IV-D staff take a child support action under the Uniform Interstate Family Support Act (UIFSA), “the petition and accompanying documents shall conform substantially with the requirements imposed by the forms mandated by federal law.”<sup>3</sup>

OCSE last introduced changes to the standard intergovernmental child support enforcement forms in June 2011.<sup>4</sup> OCS staff revised the intergovernmental forms generated in MiCSES to be in compliance with the federal forms on August 3, 2012.

In July 2013, OCSE solicited suggestions for revisions to the forms. Several significant updates were recommended; as a result, OCSE formed a workgroup to analyze the revision options, and it extended the use of the current forms with a new expiration date of February 28, 2017. OCSE changed the expiration date on the forms and made no other changes.<sup>5</sup>

The forms will be revised with the new expiration date in MiCSES on August 22, 2014.

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<sup>2</sup> 45 Code of Federal Regulations (CFR) 303.7(a)(4)

<sup>3</sup> Michigan Compiled Law (MCL) 552.1318(2)

<sup>4</sup> Ref: [OCSE Action Transmittal \(AT\) 11-07, Distribution of Federally Approved Standard Intergovernmental Child Support Enforcement \(CSE\) Forms.](#)

<sup>5</sup> Ref: [OCSE AT-14-02, Standard Intergovernmental Child Support Enforcement Forms Extended.](#)

**NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. IV-D workers must use the updated OCSE forms for intergovernmental case processing. The revised forms will be available in MiCSES on August 22, 2014. See the [OCSE website](#) for instructions on completing the forms.

This IV-D Memorandum obsoletes IV-D Memorandum 2012-009, *Updates to the Federally Approved Standard Intergovernmental Forms* and its attachments.

**REVIEW PARTICIPANTS:**

Program Leadership Group  
Intergovernmental Work Improvement Team

**CONTACT PERSON:**

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517-241-5083

**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
42 United States Code (USC) 666(f)  
45 CFR 303.7(a)(4)

OCSE AT-11-07  
OCSE AT-14-02

State  
MCL 552.1101–1803

**ATTACHMENTS:**

- |                                    |  |
|------------------------------------|--|
| FSA-200-1 or INTTRANS1 / INTACK 1: | <i>Child Support Enforcement Transmittal #1 – Initial Request</i>                  |
| FSA-200-2 or INTTRANS2 / INTACK2:  | <i>Child Support Enforcement Transmittal #2 – Subsequent Actions</i>               |
| FSA-200-3 or INTTRANS3:            | <i>Child Support Enforcement Transmittal #3 – Request for Assistance/Discovery</i> |

FSA-201 or INTSUPPET:	<i>Uniform Support Petition</i>
FSA-202 or GENTEST / GENTESTVER:	<i>General Testimony</i>
FSA-204 or PATERNITYAFF:	<i>Affidavit in Support of Establishing Paternity</i>
FSA-206 or INTLOCDS:	<i>Locate Data Sheet</i>
FSA-207 or INTREGSTMT:	<i>Registration Statement</i>
FSA-208 or INTNDCO:	<i>Notice of Determination of Controlling Order</i>

**EPF/SM/CMS**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-019

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** September 4, 2014

**SUBJECT:** Online Search Tool for Unclaimed Child Support Funds and Revisions to Section 5.65, "Escheatment," of the *Michigan IV-D Child Support Manual*

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** September 9, 2014

#### **PURPOSE:**

This IV-D Memorandum discusses the online search tool that allows child support customers to search for unclaimed child support funds. This tool, which has been available on the Department of Human Services (DHS) child support website, will be removed from that website on September 9, 2014 at 6 p.m. The search tool will be implemented on the MiCase portal in the future.

This memorandum also announces revisions to Section 5.65, "Escheatment," of the *Michigan IV-D Child Support Manual*. All references to the online search tool in this manual section have been deleted. Also, the dates for identifying funds for possible escheatment and for transmitting escheated funds have been changed.

#### **DISCUSSION:**

##### **Online Search Tool for Unclaimed Child Support Funds**

In some situations, child support payments go unclaimed. For example, some custodial parties (CPs) do not update their address with the FOC, and when the Michigan State Disbursement Unit (MiSDU) receives payment on the case, it cannot forward those funds to the CP's new address. Other CPs receive checks that they do not cash for

#### **UPDATE(S):**

Manual

Form(s)

various reasons. OCS holds these unclaimed funds for one year. The law requires that after one year, OCS must escheat (transfer) the money to the Michigan Department of Treasury's unclaimed property division.<sup>1</sup>

To reduce the unclaimed money that must be sent to the Department of Treasury, OCS has been offering customers the opportunity to search for unclaimed support larger than \$1 on the DHS child support website. However, the website design includes the funds that have already been escheated to the Department of Treasury. This makes up the bulk of the accessible data on the website. Additionally, escheated funds data is never updated to reflect whether those funds have since been claimed from Treasury, causing confusion for parents and custodians. Since the implementation of the search tool in 2007, only 48 cases had a successful hit displaying funds that were on hold due to a bad address and that OCS had not yet escheated.

Under the current design, maintaining this search tool is manually intensive and error-prone. This further supports a discontinuation of the tool. It also duplicates search capabilities for escheated funds on the Department of Treasury website. OCS will consider implementing an improved search tool on the MiCase portal in the future. This would increase its visibility, reliability and accessibility to parents and custodians. When the search tool is implemented on MiCase, OCS will announce it in a IV-D Memorandum.

### **Revisions to Section 5.65, "Escheatment"**

OCS has updated Section 5.65 of the *Michigan IV-D Child Support Manual* to remove references to the online search tool for unclaimed child support funds. In addition, OCS has updated Section 5.65 to reflect the following:

- In April of each year, qualified support payments that are more than 365 days old as of March 31 will be identified for possible escheatment. The Escheatment Selection (Batch\_ESSL) process now runs in April instead of July;
- On or before July 1 of each year, OCS via the MiSDU will transmit all funds related to the receipts that remain selected for escheatment to the Michigan Department of Treasury. In the past, this transfer of funds took place in November; and
- Funds under Other Party Bad Address (SOBA) hold are no longer eligible for escheatment. SOBA holds have been removed from the list of escheatable funds.<sup>2</sup>

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<sup>1</sup> Ref: Public Act 29 of 1995, Uniform Unclaimed Property Act; Michigan Compiled Law (MCL) 567.221, MCL 567.224, and MCL 567.238. For information on the escheatment process, reference [Section 5.65, "Escheatment," of the Michigan IV-D Child Support Manual](#).

<sup>2</sup> SOBA holds in MiCSES are no longer eligible for escheatment because the majority of them are for agency placement cases, and the recipient of the payment is not directly identified. IV-D staff must review receipts on SOBA hold to determine the appropriate recipient of the disbursement.

**NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. For those maintaining a hard copy of the *Michigan IV-D Child Support Manual*, print the updated Section 5.65 and add it to the manual. Discard the previously published version of Section 5.65 (published July 12, 2010).

**REVIEW PARTICIPANTS:**

Financial Work Improvement Team  
Program Leadership Group

**CONTACT PERSON:**

**Online search tool**

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**Section 5.65 updates**

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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
None

State  
Public Act 29 of 1995  
MCL 567.221  
MCL 567.224  
MCL 567.238

**ATTACHMENT:**

Section 5.65: Escheatment

**EPF/KK/KP**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-020**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** August 29, 2014

**SUBJECT:** Transition of the State Directory of New Hires (SDNH) From the Data Warehouse to the Michigan Child Support Enforcement System (MiCSES)

<p><b>UPDATE(S):</b></p> <p><input checked="" type="checkbox"/> Manual</p> <p><input type="checkbox"/> Form(s)</p>
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**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** September 5, 2014

**PURPOSE:**

This IV-D Memorandum announces operational changes to Michigan’s SDNH. The SDNH interfaces with the National Directory of New Hires (NDNH) and with other agencies that provide new hire, quarterly wage, and unemployment insurance information to Michigan’s IV-D program. The Data Warehouse has been housing and performing the functions of the SDNH. Effective with the MiCSES 8.9 Release (September 5, 2014), MiCSES will house and perform these functions.

OCS has revised *Michigan IV-D Child Support Manual* Sections 3.10, “New Hire” and 6.03, “Income Withholding” to reflect the transition of the SDNH functions from the Data Warehouse to MiCSES. Changes to Sections 3.10 and 6.03 since their last publication are indicated by a change bar in the right margin of the manual section. Formatting changes, updated references to additional information, and minor changes to wording are not identified with change bars.

**DISCUSSION:**

The federal Social Security Act<sup>1</sup> requires each state to:

<sup>1</sup> Ref: Social Security Act, sections 453A and 466(19)(B)(iii) and 45 Code of Federal Regulations (CFR) 303.100.

- Operate an SDNH;
- Enter into the SDNH new hire reports that have been collected from employers;<sup>2</sup>
- Transmit new hire reports, quarterly wage reports, and unemployment insurance information from the SDNH to the NDNH;<sup>3</sup>
- Match new hire reports entered into the SDNH with obligors in the state's IV-D caseload;
- Issue income withholding notices in response to matched information in the SDNH and NDNH; and
- Issue *National Medical Support Notices* (NMSNs) in response to matched information in the SDNH and NDNH.

Effective September 5, 2014, MiCSES will perform the required SDNH functions instead of the Data Warehouse. Under this transition:

- MiCSES will be the system of record;
- MiCSES will handle operational/transactional functions that used to be handled by the Data Warehouse, such as interactions with the Federal Case Registry (FCR), Federal Parent Locator Service (FPLS), the NDNH, and other external/third-party locate sources; and
- The Data Warehouse will be the reporting and data analysis platform for the child support program. Consequently, IV-D staff will continue to have access to new hire, quarterly wage, and unemployment insurance information from the SDNH and NDNH through Business Objects reports.

OCS updated *Michigan IV-D Child Support Manual* Sections 3.10 and 6.03 to reflect MiCSES as the SDNH. In addition, OCS made other updates to these manual sections as follows:

### **Section 3.10**

- The requirement to issue a NMSN in response to a new hire report was added.
- Technical details about how MiCSES loads new hire information into the *Member Employment History* (EHIS) screen and updates locate statuses were removed. These details will be covered in MiCSES system documentation.<sup>4</sup>

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<sup>2</sup> In Michigan, the Michigan New Hires Operation Center collects new hire reports from employers and provides the reports to the SDNH. The Michigan New Hires Operation Center is contracted under the Department of Technology, Management & Budget (DTMB) and administered by OCS and DTMB.

<sup>3</sup> Michigan's SDNH receives quarterly wage reports and unemployment insurance information from the Michigan Department of Licensing and Regulatory Affairs (LARA)/Unemployment Insurance Agency.

<sup>4</sup> Ref: MiCSES 8.9 Release Notes and MiCSES 8.9 Release Materials on mi-support's [Release Information](#) page.

### Section 6.03

- A custodial party notifying the FOC of a source of income was added as a source for the IV-D program to use for discovering sources of income.
- A clarification regarding the FPLS was added. The FCR is part of the FPLS, but the FCR is not the only source of proactive matches and locate responses for income information.
- Policy was added regarding IV-D staff access to quarterly wage information through the Business Objects reports. When necessary, IV-D staff must manually update a case member's employment information and issue an income withholding notice and/or NMSN.
- Technical details regarding how MiCSES is designed to load quarterly wage records but is not currently doing so were removed. Section 6.03 now reflects current system functionality and notes that a Help Desk ticket was entered to automate MiCSES actions upon receiving quarterly wage information.
- A clarification regarding wage records was added. Section 6.03 explains why MiCSES receives quarterly wage records from the Michigan Unemployment Insurance Agency on a daily basis whereas employers are required to report wages on a quarterly basis to MiCSES.
- The note regarding Rhode Island's unemployment insurance agency not accepting direct income withholding notices was removed. Current information about direct unemployment income withholding information for Rhode Island and other states is available in the federal Office of Child Support Enforcement's Intergovernmental Reference Guide, which is accessible through the State Services Portal.<sup>5</sup>

### NECESSARY ACTION:

Review Sections 3.10 and 6.03 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print the manual sections and add them to the manual. Discard the previously published version of Section 3.10 (published April 27, 2012) and Section 6.03 (published September 16, 2013).

### REVIEW PARTICIPANTS:

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Program Leadership Group

### CONTACT PERSON:

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<sup>5</sup> Ref: [Michigan IV-D Memorandum 2014-017, Implementation of the Intergovernmental Reference Guide \(IRG\) Application on the State Services Portal \(SSP\)](#) for details about accessing the IRG through the State Services Portal.

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**CC:**

Michigan New Hires Operation Center

**SUPPORTING REFERENCES:**

Federal

45 CFR 303.100

Social Security Act, sections 453A and 466(19)(B)(iii)

State

None

**ATTACHMENTS:**

Section 3.10: New Hire

Section 6.03: Income Withholding

**EPF/CT**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-021**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** August 29, 2014

**SUBJECT:** Updates to *Michigan IV-D Child Support Manual* Section 3.15,  
“Addresses” Regarding Automated National Change of Address  
(NCOA) Address Verification

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** September 5, 2014

**PURPOSE:**

This IV-D Memorandum explains updates to Section 3.15, “Addresses,” of the *Michigan IV-D Child Support Manual*. Section 3.15 now describes an automated process that the Michigan Child Support Enforcement System (MiCSES) will use to transmit addresses for certain custodial parties (CPs) and non-custodial parents (NCPs) to the Federal Case Registry (FCR) for updates and verifications through the NCOA. The automated NCOA process will begin with the MiCSES 8.9 Release (September 5, 2014).

In addition, OCS has updated Section 3.15 to include address hierarchy changes and improvements in MiCSES’ handling of addresses imported from the Data Warehouse. Section 3.15 also includes a new procedure for IV-D staff who obtain new address information. Furthermore, Section 3.15 includes a new exhibit (Exhibit 3.15E2) that displays a flow chart illustrating the FCR/NCOA submission process.

Change bars in the right margin of the manual section identify substantial policy changes since the last publication of the material. IV-D staff are strongly encouraged to review Section 3.15, especially the content identified with a change bar. Content that has not been substantially updated with new information or policy is not identified with a change bar.

<p><b>UPDATE(S):</b></p> <p><input checked="" type="checkbox"/> Manual</p> <p><input type="checkbox"/> Form(s)</p>
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## DISCUSSION:

### A. NCOA Overview

The United States Postal Service (USPS) receives requests for address changes on paper forms, by telephone, and online<sup>1</sup> from persons who move and wish to have mail directed to their new temporary or permanent address.

To assist in accurately delivering mail, the USPS offers the NCOA<sup>Link</sup> service, a national database of address information, through licensed vendors.<sup>2</sup> Address information in the NCOA database is obtained from **permanent** Change of Address (COA) forms<sup>3</sup> that are filed by relocating postal customers. The USPS updates the NCOA database with this information on a weekly basis and keeps changes on file for four years. When possible, postal customers who move multiple times within a four-year period are linked, or chained, to ensure that the latest address is furnished when an NCOA match is attained.

The FCR is a national database of state child support cases and participants. All state IV-D programs are required to report their IV-D cases and non-IV-D cases with support orders to the FCR. The FCR provides NCOA services for state IV-D programs to check their participants' names and addresses against the NCOA database.

Note: The NCOA provides the location where an individual receives mail. This may not be the actual location of the individual.

#### 1. NCOA Process

MiCSES will submit eligible<sup>4</sup> addresses to the FCR for certain MiCSES case members at least once every 90 days in order to:

- Comply with ongoing location requirements specified in 45 Code of Federal Regulations (CFR) 303.3(b)(5);
- Maximize the likelihood of timely updates through NCOA; and
- Comply with USPS bulk mailing standards to minimize mailing costs.<sup>5</sup>

MiCSES will submit the identified eligible addresses to the FCR on a daily basis. Additionally, MiCSES will submit newly entered addresses that meet the selection criteria.

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<sup>1</sup> Postal customers may change addresses online at <https://www.usps.com/umove/>.

<sup>2</sup> This IV-D Memorandum refers to the NCOA<sup>Link</sup> service as the NCOA.

<sup>3</sup> Approximately 40 million COA forms are filed annually.

<sup>4</sup> Addresses in MiCSES must meet certain criteria to be submitted to the FCR. Ref: Subsection 3.2 in manual section 3.15 for more information.

<sup>5</sup> Ref: [USPS's Move Update standard](#) for details.

The FCR will accumulate the addresses sent from MiCSES and submit them on a weekly basis to the NCOA. Upon receipt, the NCOA will edit the addresses to conform with USPS address standards<sup>6</sup> and then attempt to match the MiCSES addresses to addresses stored in the NCOA database.

Each business day, as NCOA verifies or corrects addresses, it will provide the information to MiCSES through the FCR. MiCSES will then update addresses and issue alerts, as appropriate. **Legal addresses for case members will not be changed with this process.** Reference Subsection 2.3.5 of manual section 3.15 for more information regarding updates to case member addresses.

Note: Individual address verification responses from the NCOA are expected to take no less than three business days.

## 2. Initial Submission of Addresses

To deliver a steady rate of address changes for the approximately 1.4 million Michigan CPs and NCPs whose information resides on the FCR, MiCSES will generate an initial submission of addresses evenly over the first 90 days following the MiCSES 8.9 Release. This will spread out any potential impact on IV-D workers.

Case member records that are not submitted to the FCR will not be submitted to the NCOA. MiCSES will not receive FCR data, including data from the NCOA, for individuals who have the family violence indicator set in the FCR database.

Following the initial 90 days, MiCSES will submit applicable CPs' and NCPs' address information no less frequently than every 90 days to satisfy federal location requirements and to obtain timely updates when individuals move.<sup>7</sup> Newly entered addresses in MiCSES that meet the submission requirements will also be included in the daily submission process. Reference Subsection 3.2 of manual section 3.15 for more information regarding the submission of addresses to the FCR and the NCOA.

Note: MiCSES does not currently display the date an address was submitted to the NCOA. A Help Desk ticket has been entered to add this information for IV-D workers in the near future.

## 3. MiCSES Alerts Related to NCOA Activities

At the request of Joint Application Design (JAD) participants, MiCSES has two new informational alerts related to NCOA processes to assist IV-D staff in getting legal mailing addresses corrected. An informational alert provides information to

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<sup>6</sup> Ref: [USPS Postal Addressing Standards](#).

<sup>7</sup> Ref: 45 CFR 303.3(b)(5).

a IV-D worker, but does not require any action to be taken in order for case activities to be advanced.

These alerts are intended to notify IV-D staff that court papers and notices might **not** go to a deliverable address. Currently, there are more than 168,000 individuals with mismatched mailing and legal mailing addresses in MiCSES; however, MiCSES will only alert staff when the NCOA process updates the mailing address to one that differs from the legal mailing address. These new alerts have a priority of 4 or 5, will display for 30 days, and may be customized by each office. Reference Subsection 3.3.5 of manual section 3.15 for more information regarding the new informational alerts.

#### 4. 90-Day Locate Attempt Requirement

45 CFR 303.3(b)(3) mandates that the IV-D program access all appropriate locate sources within no more than 75 calendar days when a case member **on a IV-D case** is not located. The NCOA is one of many locate resources that is used to satisfy this requirement. If the NCOA verifies a submitted address, or provides a new, current address, the locate requirements under the federal regulation are satisfied. However, if the NCOA response fails to verify a submitted address and does not provide a new confirmed address to replace a bad address, IV-D staff must use other resources to satisfy the locate requirements.

Additionally, 45 CFR 303.3(b)(5) mandates that the IV-D program repeatedly perform locate attempts in IV-D cases in which previous attempts to locate NCPs or sources of income have failed. Locate functions must be repeated quarterly (every 90 days) and must include “accessing State employment security files.”

Submitting IV-D case members to the NCOA for address matching will partially satisfy the federal requirement for ongoing locate attempts, regardless of the response that the NCOA sends back. Other automated processes, such as matching with the Michigan Unemployment Insurance Agency, will satisfy the employment security file requirement. IV-D workers must use other locate methods for IV-D case members who are not submitted to the NCOA.

#### 5. Expected Benefits and Impacts of the NCOA Process

Other state IV-D programs that use the NCOA process have informed Michigan that approximately 70 percent of submissions receive a meaningful response (confirmed as deliverable or undeliverable, or updated). Additionally, the federal Office of Child Support Enforcement (OCSE) expects that 5 to 7 percent of responses contain new addresses. OCSE does not maintain a testing environment; estimated impacts are based on other states’ experiences rather than MiCSES data.

The NCOA process will reduce, but not eliminate, the need for IV-D workers to send a paper postal verification. IV-D staff must continue to send paper postal verifications for cases that do not meet the FCR/NCOA submission criteria.

The NCOA process does not generate paper forms. IV-D staff will not need to generate new forms to accommodate the NCOA process nor process any returned forms from the OCSE or other states as a result of the NCOA process.

If the NCOA process marks an individual's address as "N – Confirmed/Verified as Bad," actions that depend on a verified mailing address may be affected. These include:

- Mailing of forms with MiCSES address hierarchies that do not include delivery to "N – Confirmed/Verified as Bad" addresses;
- Locate activities triggered if the individual's locate status changes; or
- Placement of money on "SNBA – NCP Bad Address" or "SCBA – CP Bad Address" holds due to the lack of a deliverable address.<sup>8</sup>

## 6. NCOA Communications

OCS policy and training teams plan to communicate information about the new NCOA process in the following ways:

- A webinar scheduled for September 3, 2014;<sup>9</sup> and
- A discussion at the September FOC User Group.

OCS will release additional information by hotline message as it becomes available.

### **B. Manually Triggering Address Updates**

Section 3.15 explains that IV-D staff are encouraged to allow the NCOA process to verify updated addresses, particularly in situations where the CP or NCP is a member on several cases or support orders.

In particular, if IV-D staff do not yet have verification of a newly received address, they should enter such addresses in MiCSES with an *Action Code* of "V – Verification Sent" to allow the NCOA process to verify the address before undertaking manual verification steps.

IV-D staff must continue manual verification steps for addresses of individuals who do not meet the submission criteria for NCOA.

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<sup>8</sup> Ref: the [MiCSES Customer Information Guide: Suspense Management Reference](#) for a discussion of SNBA and SCBA holds.

<sup>9</sup> A [hotline message was issued on August 15, 2014](#) announcing details about the scheduled webinar. IV-D staff may register for the webinar at <https://mi-support.state.mi.us/training/default.aspx>.

### **C. Address Hierarchy Recommendations**

The Case Management Work Improvement Team (CM-WIT) conducted a comprehensive review of MiCSES address hierarchies used to select the appropriate address for each piece of mail and submitted its recommendations to the Program Leadership Group (PLG). The PLG approved these recommendations for future MiCSES work. Accordingly, policy in Section 3.15 that directed IV-D staff to submit a remedy ticket suggesting hierarchy improvements was removed.

Section 3.15 clarifies the distinction between legal and alternative addresses subject to MCR 3.203 and other MiCSES addresses.

### **D. Data Warehouse Addresses**

Prior to the MiCSES 8.8 Release in June 2014, importing MiCSES Data Warehouse addresses using the *Member Address History* (AHIS) and *Member Employment History* (EHIS) screens in MiCSES caused dashes (-) to appear instead of blank lines. This issue has been resolved. As a result, policy directing staff to enter those addresses manually has been removed from Section 3.15.

Previously, importing an address found on the Data Warehouse marked the address as “Y – Verified/Confirmed Good” in MiCSES, potentially causing an individual to be considered located and affecting case closure. With the MiCSES 8.9 Release, MiCSES will now mark downloaded Data Warehouse addresses as “V – Verification Sent,” which will not affect that individual’s locate status.

### **E. Processing New Address Information**

Previous IV-D policy instructed IV-D staff who take new address information by telephone to enter the new address with an *Action Code* of “P – Postmaster Letter Sent.” This caused MiCSES to generate a paper postal verification form. Because NCOA serves an equivalent purpose, IV-D staff must now add these addresses with the status of “V – Verification Sent” in MiCSES. The MiCSES NCOA process will send the new address to the FCR provided other submission criteria are met for electronic verification rather than sending a paper form.

### **NECESSARY ACTION:**

Read the updated policy information in Section 3.15 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print this section and the new Exhibit 3.15E2 and add them to the manual. Discard the previously published version of Section 3.15 (published August 31, 2012). Additionally, IV-D staff are encouraged to participate in the upcoming NCOA webinar to learn more information about the NCOA.

**REVIEW PARTICIPANTS:**

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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
45 CFR 303.3(b)(3)  
45 CFR 303.3(b)(5)

State  
None

**ATTACHMENTS:**

Section 3.15:           Addresses  
3.15E2:               FCR/NCOA Submission Process

**EPF/JFH**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-022

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** August 29, 2014

**SUBJECT:** Michigan Child Support Enforcement System (MiCSES)  
Automatic Processing of Good Cause End Dates Received  
From Bridges

**UPDATE(S):**

Manual

Form(s)

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** September 5, 2014

**PURPOSE:**

This IV-D Memorandum discusses updated policy in *Michigan IV-D Child Support Manual* Section 2.15, "Cooperation/Noncooperation/Good Cause." Beginning with the MiCSES 8.9 Release (September 5, 2014), MiCSES will automatically process end dates for good cause received from Bridges. OCS has updated Section 2.15 to explain this process and other minor changes to MiCSES good cause functionality.

In addition, this memorandum announces updates to the three versions of the *Notice of Title IV-D Support Case Action* form:

- CLO\_REOSS (generated by support specialists);<sup>1</sup>
- CLO\_REOPA (generated by PAs); and
- CLO\_REOFOC (generated by FOCs).

Significant changes since the last publication of Section 2.15 are indicated by a change bar in the right margin of the manual section.

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<sup>1</sup> The sample *Notice of Title IV-D Support Case Action* form attached to this IV-D Memorandum is the CLO\_REOSS.

## DISCUSSION:

Federal regulations allow states to develop good cause exemptions to the child support cooperation requirement when a family receives public assistance. The Department of Human Services (DHS) and OCS may waive the cooperation requirement for Family Independence Program (FIP), Food Assistance Program (FAP), Medicaid and Child Development and Care (CDC) when the cooperation of the recipient/applicant is against the child's best interests.

When a recipient (i.e., the custodial party [CP] on the IV-D case) claims good cause, (s)he is requesting an exemption to the child support cooperation requirement. The CP wants the child support program to stop action and close his/her IV-D case. Normally, federal regulations do not allow the IV-D program to close a IV-D case when the CP requests closure and the family is receiving public assistance. However, when a good cause determination to end child support action is made, IV-D workers will close the IV-D case regardless of the family's receipt of public assistance.

### A. Changes to Good Cause Functionality in MiCSES

#### 1. End-Dating Good Cause

The family independence specialist (FIS)/eligibility specialist (ES) may determine that the good cause finding is no longer applicable to the case. For example, the CP no longer feels that (s)he is in danger or the CP wants to establish a support order. When the FIS/ES worker makes this determination, (s)he will update Bridges by removing the good cause status from the case, and Bridges will then transmit a good cause end date record to MiCSES.

Section 2.15 describes how MiCSES will automatically process end-dating of good cause for IV-D cases where good cause was originally granted.<sup>2</sup> MiCSES will:

- a. Reset the good cause information on the *Case Member Details* (CASE) screen to blank.
- b. Create a IV-D case-level note on the *Notes Processor* (NOTE) screen.
- c. Mark the CP as cooperating.
- d. For open IV-D cases:
  - 1) Set the minor activity on an open *SS Case Activities* (SSACT) major activity to NOTFC (Not Foster Care);
  - 2) Send an alert to the PA worker if a court action referral (CAR) is open on the *Legal Case* (LCSE) screen for any county; and
  - 3) Send an alert to the FOC worker if there is an open *Support Order Entry* (SORD) screen record for any county.

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<sup>2</sup> This process will not affect cases where good cause was originally denied.

- e. For closed or pending closed IV-D cases that have active relevant assistance and a closure status of “GG” (Good Cause):
  - 1) Reopen the IV-D case;
  - 2) Transfer the case to the support specialist functional area;
  - 3) Open an SSACT major activity and set the minor activity to NOTFC; and
  - 4) Queue up for printing a CLO\_REOSS letter.

Note: IV-D cases will remain closed if they were closed for any reason other than “GG” or are non-assistance cases.

When MiCSES automatically processes end-dating of good cause for IV-D cases, it will not modify the family violence indicator on the IV-D case. If the family violence indicator needs to be updated, IV-D workers must update it manually in MiCSES.

Since the CP is now cooperating, IV-D workers will work the case based on the current workflow activity.

## 2. Creation of a Case-Level Note for Pending Good Cause

Section 2.15 states that MiCSES will automatically create a IV-D case-level note on the NOTE screen when the FIS/ES worker updates Bridges to indicate a good cause claim is granted or denied.

## **B. Previous End-Dated Good Cause Cases**

Because MiCSES has not automatically reacted to end-dated good cause transactions in the past, approximately 1,800 active CPs in MiCSES with good cause are out of sync with information located in Bridges. After the implementation of the MiCSES 8.9 Release, MiCSES staff will provide a list of the out-of-sync cases to SS staff to manually update, as time permits.

## **C. Updates to the *Notice of Title IV-D Support Case Action Forms***

The language on these forms was modified to inform recipients that their IV-D case will remain open due to a change in circumstances or at the request of a party on the case. Previously, these forms informed recipients that their case was remaining open as a result of the request of a party on the case. However, with the implementation of the good cause end-date functionality, this would cause confusion for form recipients whose case was reopened due to the end-dating of good cause.

Additionally, the CLO\_REOPA and CLO\_REOFOC forms were updated to include a new sentence: “If you have new information to help with your case, or if you have any questions, please contact us at the phone number above.” This change makes these forms more consistent with the CLO\_REOSS form.

**NECESSARY ACTION:**

For those maintaining a hard copy of the *Michigan IV-D Child Support Manual*, print Section 2.15 and add it to the manual. Discard the previous version of Section 2.15 (published January 6, 2012). With the publication of this memorandum, form CLO\_REOSS (Rev. 12/13) is obsolete.

**REVIEW PARTICIPANTS:**

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**CC:**

None

**ATTACHMENTS:**

Section 2.15: Cooperation/Noncooperation/Good Cause  
CLO\_REOSS: *Notice of Title IV-D Support Case Closure*

**EPF/JFH**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-023

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff  
All Office of the Attorney General Staff, Child Support Unit

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** December 1, 2014

**SUBJECT:** State Services Portal (SSP) Policy Updates;  
Implementation of New SSP Applications

**UPDATE(S):**

Manual

Form(s)

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum introduces Section 3.06, "State Services Portal (SSP)," a new section of the *Michigan IV-D Child Support Manual*. It also announces the implementation of three new SSP applications:

- Department of Defense (DoD) Entitlement;
- Locate; and
- Electronic Income Withholding Order (e-IWO).<sup>1</sup>

Michigan will implement the new SSP applications on December 3, 2014. Prior to implementation, the Michigan Child Support Enforcement System (MiCSES) Help Desk staff will assign the new roles associated with these applications to appropriate IV-D staff with existing SSP roles.

Section 3.06 incorporates SSP content from IV-D Memorandums 2012-007, *Introduction of the State Services Portal (SSP)*; 2013-002, *Expansion of the State Services Portal*

<sup>1</sup> The sole purpose of the e-IWO application is to allow a state to update its e-IWO contact information that is only available to the federal Office of Child Support Enforcement (OCSE). OCS Central Operations staff who are responsible for updating state contact information will have access to this application.

(SSP), *Modification of Security Forms, and Sources for Obtaining Federal Employer Identification Numbers (FEINs)*; and 2014-017, *Implementation of the Intergovernmental Reference Guide (IRG) Application on the State Services Portal (SSP)*. Section 3.06 also incorporates content regarding SSP roles and access to the SSP from Section 6.21, “Tax Refund Offset” of the *Michigan IV-D Child Support Manual*.

In addition to the three new SSP applications, Section 3.06 discusses the following existing SSP applications:

- Federal Collections and Enforcement;<sup>2</sup>
- eEmployer;<sup>3</sup>
- Query Interstate Cases for Kids (QUICK);
- Insurance Match (IM); and
- Intergovernmental Reference Guide (IRG).

Section 3.06 also explains how IV-D workers can use the data available through the eEmployer application to maintain employer records in MiCSES.

Within Section 3.06, change bars in the right margin identify new policy and substantive changes to previously published SSP policy. Reorganized content or content that has not been substantively updated with new information or policy is not identified with a change bar. Additionally, content incorporated from Section 6.21 and prior IV-D Memorandums is not identified with change bars.

Finally, the table of contents for the *Michigan IV-D Child Support Manual* has been updated. It now includes the new Section 3.06, “State Services Portal (SSP),” and asterisks have been added to the end of this section title to indicate that the manual section is available. “State Services Portal (SSP)” was previously identified in the table of contents as Section 9.70; that section number has been deleted. In addition, asterisks have been added to the end of Section 4.05, “Paternity Establishment” to indicate the availability of this manual section. Section 4.05 is attached to IV-D Memorandum 2014-036, which is being published at the same time as this memorandum.

## **DISCUSSION:**

The SSP is a web application that provides IV-D staff access to nationwide location, income, asset, and employment information. The SSP is hosted by the Federal Parent Locator Service (FPLS),<sup>4</sup> which is operated by the OCSE.

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<sup>2</sup> The Federal Collections and Enforcement application provides access to federal tax refund offset (FTRO) and passport denial information. Most of the SSP passport denial information is in [Section 6.24, “Passport Denial/Restriction,”](#) of the *Michigan IV-D Child Support Manual*; however, this information will be moved to Section 3.06, “State Services Portal,” of the manual in a future revision.

<sup>3</sup> This application was formerly referred to as “Employer Search” and “e-IWO.” e-IWO now refers to a different application (Ref: Section A[3] of this memorandum).

<sup>4</sup> Ref: OCSE’s [Federal Case Registry Interface Guidance Document](#) and [Federal Parent Locator Service Information for Families](#) for more information about the FPLS.

The SSP provides access to various child support services applications that assist IV-D workers with locate, establishment, enforcement, and review and modification of child support orders. Michigan IV-D staff may access the SSP from the mi-support home page.

OCSE continually updates the SSP by adding new applications/roles and enhancing existing applications. OCS keeps abreast of these updates and will inform IV-D workers as additional SSP applications are implemented in Michigan.

Section 3.06 discusses the SSP applications implemented in Michigan and available to IV-D workers. It also explains:

- Information and benefits provided by the applications;
- SSP user roles; and
- Access to SSP applications.

#### **A. New SSP Applications<sup>5</sup>**

##### **1. Locate**

The Locate application provides address, employment, and income data from several federal agencies. Locate information obtained from this application is useful for locating address and employment information or for finding income information for order establishment or the review and modification process. Authorized users can request locate data for non-IV-D purposes. Non-IV-D purposes include parental kidnapping, adoption, and custody and visitation.<sup>6</sup>

The Locate application has three user roles. Two of the roles, Default View and Locate Non-IV-D, allow IV-D workers to submit requests for locate information and view responses to those requests. The Locate Non-IV-D role also allows a user to submit requests for limited non-IV-D purposes pursuant to strict federal regulations.<sup>7</sup> This role is limited to only OCS Central Operations IV-D workers who are authorized to perform non-IV-D locate requests. The third role, Locate Administrator, only allows a user to view responses to requests that other users have submitted; this role does not allow a user to submit requests.

##### **2. DoD Entitlement**

The DoD Entitlement application provides access to detailed entitlement (income) data, including basic pay, allowances, and bonuses for active and

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<sup>5</sup> Ref: Section B, "Access to the New Applications," in this memorandum for information on requesting access to any of the new SSP applications/roles.

<sup>6</sup> Further policy on non-IV-D locate requests will be included in the upcoming Locate policy. Ref: [Locate](#) documentation on mi-support.

<sup>7</sup> 45 Code of Federal Regulations (CFR) 303.70

reserve military service members.<sup>8</sup> This application is useful when establishing, enforcing, or reviewing and modifying a IV-D case.

The DoD Entitlement application has two user roles. The Default View user role allows a user to submit requests and view responses. The DoD Entitlement Administrator role allows the user to view responses to other users' requests.

### 3. e-IWO

The e-IWO application allows a IV-D worker to update Michigan's e-IWO business and technical contact information through the SSP. The contact information is solely for OCSE's use.

## B. Access to the New Applications

By December 3, 2014, the MiCSES Help Desk will assign the Default View role for the Locate and DoD Entitlement applications to IV-D workers who already have the Default View user role.<sup>9</sup> IV-D workers who are assigned the Default View user role after December 3, 2014 will automatically be granted Default View access to the Locate and DoD Entitlement applications.<sup>10</sup>

By December 3, 2014, the MiCSES Help Desk will assign to certain OCS Central Operations, support specialist, and MiCSES staff the Locate Administrator, DoD Entitlement Administrator, and e-IWO roles. The MiCSES Help Desk will also assign the Locate Non-IV-D user role to limited OCS Central Operations IV-D workers who are authorized to perform non-IV-D locate requests.

After December 3, 2014, IV-D workers who need access to any of the new roles for a IV-D purpose must request them by completing and submitting a *IV-D Program Request for Computer Access* (DHS-393) or *IV-D Program Request for Changing Computer Access* (DHS-395), as appropriate.<sup>11</sup> The following user roles require a business need and supervisor approval on the DHS-393 or DHS-395:

- Locate Non-IV-D;
- Locate Administrator;
- DoD Entitlement Administrator;
- e-IWO;
- Default View for IV-D workers who do not work for the FOC, PA, OCS, or the Office of the Attorney General, but who require access for a IV-D purpose;

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<sup>8</sup> The DoD entitlement data is obtained from the Defense Finance and Accounting Service (DFAS).

<sup>9</sup> This applies to all Default View users, including those users who had to have a business need and supervisor approval before gaining access to the Default View.

<sup>10</sup> Ref: [Section 1.10, "Confidentiality/Security," of the Michigan IV-D Child Support Manual](#) for more information about requesting access to the SSP.

<sup>11</sup> IV-D workers who do not already have SSP access will request it by completing and submitting a DHS-393; however, IV-D staff who already have SSP access but require a new role(s) will request the role(s) by completing and submitting a DHS-395.

- Extended FTRO View;
- Full FTRO;
- Full Passport Denial; and
- Insurance Match.

### **C. Revised User Access Security Forms**

The State Services Portal sections of the DHS-393 and DHS-395 forms have been updated with formatting changes and fields related to the new SSP roles. Refer to IV-D Memorandum 2014-035 for information on additional changes to the DHS-393 and DHS-395.

### **D. Uses for Employer Data**

IV-D workers may be able to obtain employer data from eEmployer that is not available in MiCSES or the Data Warehouse. IV-D workers can use the data obtained through the eEmployer application to maintain (add, update, merge, etc.) employer records in MiCSES.

### **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. Read the updated policy information in Section 3.06. OCS's Program Development Division encourages IV-D workers to carefully study the areas with a change bar in the right margin.

For those maintaining a hard copy of the manual, print Section 3.06 and its exhibits and add them to the manual. With the publication of this memorandum, IV-D Memorandums 2014-017 and 2012-007 are obsolete.

### **REVIEW PARTICIPANTS:**

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Case Management Work Improvement Team

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MiCSES Help Desk

**SUPPORTING REFERENCES:**

Federal  
45 CFR 303.70

State  
None

**ATTACHMENTS:**

Section 3.06: State Services Portal (SSP)

Exhibit 3.06E1: Locate Response Report Sample – FBI

Exhibit 3.06E2: DoD Response Report Sample

*Michigan IV-D Child Support Manual* Introduction and Table of Contents

**EPF/VW**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

### IV-D MEMORANDUM 2014-027

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** December 10, 2014

**SUBJECT:** Changes to Federal Reports in Business Objects

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

#### **PURPOSE:**

This IV-D Memorandum announces changes to the Business Objects federal reports in fiscal year (FY) 2014. These changes were implemented with the 2.10 version of Data Warehouse. This memorandum includes:

- A brief overview of the federal reports and the child support performance factors;
- Federal report changes in Data Warehouse 2.10; and
- An explanation of clean-up reports that will improve the performance factors.

#### **DISCUSSION:**

##### **Federal Reports and Performance Factors**

Each state submits the following reports to the federal Office of Child Support Enforcement (OCSE) each FY:

- *Annual Data Report* (OCSE-157);
- *Quarterly Collection Report* (OCSE-34A); and
- *Quarterly Program Expenditure Report* (OCSE-396A).<sup>1</sup>

<sup>1</sup> For report instructions, reference [OCSE Action Transmittal \(AT\)-14-09, OCSE-157, Form and Instructions](#); and Office of Management and Budget (OMB) 0970-0181 publications [OCSE-34A, Collection Report Instructions](#) and [OCSE-396A, Program Expenditure Report Instructions](#).

#### **UPDATE(S):**

- Manual
- Form(s)

In the Michigan child support program, Planning and Evaluation staff and Financial Management staff submit these reports to OCSE through the On-Line Data Collection (OLDC) system. These staff create the OCSE-157 and OCSE-34A reports using data generated from Business Objects.<sup>2</sup> The OCSE-396A is not currently generated through Business Objects, and is not discussed in this memorandum.

The federal reports compile Michigan Child Support Enforcement System (MiCSES) case, child, and child support collection data, which OCSE uses to determine the level of proficiency for each of the five child support performance factors:

- Paternity Establishment Percentage;
- Support Order Percentage;
- Current Support Percentage;
- Arrears Case Percentage; and
- Cost Effectiveness.<sup>3</sup>

OCSE distributes a shared pool of federal incentive funding to the states each year based on each state's performance in these factors.<sup>4</sup> OCSE uses the reported child support collection data to calculate the collection base amount for each performance factor, which it then uses in a formula to calculate each state's portion of the shared incentive pool.<sup>5</sup> To receive federal incentives, states must reach a specific level of performance for each performance factor. States must also prove that the child support collection data is 95 percent reliable in their computer systems based on an annual OCSE-conducted Data Reliability Audit.<sup>6</sup> Additionally, if one state substantially improves performance from the previous year, it will receive a larger portion of the federal incentives.

Michigan shares a portion of the federal incentives it receives with the counties. Each county receives incentives based on its performance level for each of the federal performance factors.<sup>7</sup>

[Exhibit 2014-027E1, Performance Factor Indicators](#), defines the first four performance factors shown above. It also lists lines on the federal report that relate to each performance factor, relevant MiCSES screens, and the associated data elements needed to meet each performance factor. IV-D staff can use this document to identify how to properly mark each MiCSES field to receive credit for the specific performance factor, which will then improve both federal and county incentives.

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<sup>2</sup> Ref: [Business Objects Report Description: Child Support Enforcement Annual Data Report FR-157 \(OCSE-157\)](#) and [MiCSES Customer Information Guide: OCSE-34A: Quarterly Report of Collections](#).

<sup>3</sup> 45 Code of Federal Regulations (CFR) 305.2

<sup>4</sup> 45 CFR 305.34

<sup>5</sup> 45 CFR 305.31

<sup>6</sup> 45 CFR 305.60

<sup>7</sup> Ref: [IV-D Memorandum 2011-003, Payment of Federal Performance Incentives and Federal Performance Incentives Reporting on the Title IV-D Cooperative Reimbursement Actual Expenditure Report \(DHS-286\)](#).

## Federal Report Changes

The Michigan child support program had used Data Warehouse 1.0 for reports (including federal reports) and other activities since before 2003. The structure and organization of that data warehouse was technically dated and not the best method for generating targeted and actionable reports. Over the past few years, Data Warehouse staff and Joint Application Design (JAD) participants developed the 2.10 version of the Data Warehouse.<sup>8</sup> As part of this effort, the following reports on Business Objects were redesigned:

- FR-157 (state version of the federal OCSE-157);
- FR-004 (county version of the federal OCSE-157); and
- FR-34A (state and county version of the federal OCSE-34A).

Data Warehouse staff and JAD participants designed report enhancements to provide a more accurate representation of MiCSES case information and a better reflection of case counts, collections, and disbursements. The enhanced reports provide an opportunity for Michigan's child support program to identify problem areas, target those areas, and consequently improve its overall reporting and data-mining system.

Changes to the FR-157 and FR-004 reports occurred in the Data Warehouse 2.10 release in June 2014. OCS staff used the Data Warehouse 2.10 FR-157 data to report FY 2014 data to the OCSE and discontinued the Data Warehouse 1.0 version of the FR-157.

OCS Financial Management staff generated the FR-34A report in Data Warehouse 2.10 early in FY 2014 and used that data to report to OCSE in the first quarter of FY 2014 (October – December 2013). The OCS Executive Management Team approved the discontinuation of the Data Warehouse 1.0 version of the FR-34A.

## Clean-Up Reports

To improve the reliability of the data in MiCSES, Data Warehouse and OCS staff will develop the following clean-up reports and distribute them to IV-D staff through the [Document Distribution Center](#)<sup>9</sup> on mi-support in FY 2015:

- Non-IV-D cases with a case type of "L" that are **not** opt-out cases on the *Support Order Entry* (SORD) screen, and have collections paying on IV-D debt types in current support or arrears;
- Closed IV-D cases with open dockets showing the last payment date and the amount of the last payment;

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<sup>8</sup> Data Warehouse 2.10 and its new capabilities for dashboards and enhanced reports were first introduced in a [hotline notification on June 16, 2014](#).

<sup>9</sup> The Document Distribution Center on mi-support was announced via a [hotline message on October 3, 2014](#).

- Divorce cases without children on the case;
- Open cases that do not have all IV-D case members (at least a non-custodial parent, custodial party, and one child) listed as active; and
- Children not being counted on lines 5 and 6 of the OCSE-157 because the *Pat Est* field on the *Member Demographics* (DEMO) screen is “No,” but there is a paternity establishment method and/or paternity establishment date listed.<sup>10</sup>

IV-D staff will use the clean-up reports to review case information in MiCSES and make necessary changes. These data revisions will then improve the performance factors and lead to an increase in state and county incentives. The reports will be distributed to IV-D staff through the Document Distribution Center and announced in a separate hotline message(s). Instructions for using each report will be included in the message(s).

Staff may refer to [IV-D Memorandum 2013-012, Improving the Support Order Percentage \(ISOP\) – Generating the FR-002 Report and Closing or Coding Cases Appropriately](#), for a more detailed discussion of the Support Order Percentage performance factor and associated improvements.

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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
45 CFR 305.2  
45 CFR 305.31  
45 CFR 305.34  
45 CFR 305.60

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<sup>10</sup> This clean-up report is part of the PEP UP Project – Phase I, which was announced via a [hotline message on September 3, 2014](#).

State

Michigan's Public Act (issued annually) identifying the appropriations for the Department of Human Services

**ATTACHMENTS:**

2014-027E1: Performance Factor Indicators

**EPF/EBH**



STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-028**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** September 29, 2014

**SUBJECT:** Revisions to the *Affidavit of Parentage* (AOP) and the *Office of Child Support Publication Order List* (DHS-1454), and Announcement Regarding Child Support Publications on the Department of Human Services (DHS) Website

<b>UPDATE(S):</b>	
<input type="checkbox"/>	Manual
<input checked="" type="checkbox"/>	Form(s)

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces revisions to the *Affidavit of Parentage* (AOP) and its accompanying instructions. The revised AOP, which is currently available on the Michigan Department of Community Health (MDCH) website, will be uploaded in the Michigan Child Support Enforcement System (MiCSES) after 5 p.m. on October 3, 2014.

This memorandum also explains changes to the DHS-1454 and provides information on child support publications found on the DHS website.

**DISCUSSION:**

**A. Revisions to the *Affidavit of Parentage* (AOP)**

MDCH revised the AOP in October 2013 and subsequently updated it on the MDCH website.<sup>1</sup> OCS has modified the MiCSES version of the AOP to reflect those

<sup>1</sup> Due to competing priorities between MiCSES and OCS, there was a delay in the update to the AOP in MiCSES.

revisions. One of OCS's modifications to the MiCSES AOP changed its form number from DCH-0682w to DCH-0682 to match the MDCH AOP form number.

Note: MDCH has indicated it will not accept older versions of the AOP. IV-D workers must destroy prior versions or risk rejection from MDCH.

Other changes to the AOP include the following:

1. Form (Page 1)

- a. In the header, "Vital Records and Health Data Development" was changed to "Division for Vital Records and Health Statistics";
- b. In subsections (b) and (g), the word "acknowledgment" was changed to "affidavit";
- c. In subsection (h), "acknowledgment of parentage" was changed to "Affidavit of Parentage," and "Michigan Compiled Law 722.1011" was changed to "the Revocation of Paternity Act (Michigan Compiled Law [MCL] 722.1437)";
- d. Under the "Father" and "Mother" information sections:
  - 1) The street address field name was changed from "Name and Street Number" to "Number and Street Name";
  - 2) The word "Signed" in the notary portion was changed to "Subscribed"; and
  - 3) The fields in the notary portion were formatted differently; for example, the field name "Notary Public's Signature" now appears to the left of the field rather than underneath it.

2. Instructions (Page 2)

- a. The department and section names were removed from the header;
- b. The fees for certified copies of the completed form were increased from \$26.00 to \$34.00 for the first certified copy and from \$12.00 to \$16.00 for additional copies;
- c. Under "Establishing Paternity After Leaving the Hospital," the form number "(Form DCH-0848)" was added after "Application to Add a Father on a Michigan Birth Record"; and
- d. In the address for simply filing the affidavit, "Vital Records & Health Data Development Section" was changed to "Vital Records and Health Statistics Section."

The AOP can be generated in MiCSES on the *Document Generation* (DOGN) screen as template 6040.

Note: In the near future, OCS will update all related in-hospital training materials to reflect changes to the AOP.

## **B. Revisions to the DHS-1454**

The DHS-1454 is available on the DHS website. It is used by IV-D staff and the general public to order OCS publications free of charge. The DHS-1454 has been revised with a department name change and two address changes. "Office Services Division" has been changed to "Forms & Mail Management." Additionally, the addresses for Forms & Mail Management and the Office of Child Support have been updated.

## **C. Child Support Publications on the DHS Website**

The following child support publications are available on the [Forms and Publications](#) page of the DHS website:

- *Office of Child Support Publication Order List* (DHS-1454);
- *Understanding Child Support: A Handbook for Parents* (DHS-Pub 748);
- *Entendiendo El Sostenimiento para Niños Un Manual para Padres* (DHS-Pub 748-SP);
- *What Every Parent Should Know About Establishing Paternity* (DHS Pub-780);
- *Lo Que Cada Padre Debe Saber Sobre Estableciendo la Paternidad* (DHS Pub 780-SP);
- *Fatherhood* (DHS Pub-806);
- *Prueba de Paternidad de DNA* (DHS Pub-865-SP); and
- *DNA Paternity Testing* (DHS Pub-865).

OCS periodically updates these publications. When this occurs, the revised version is made available on the DHS website. The DHS website contains the most current electronic copies of these publications. However, when customers order hard copies, OCS will usually deplete any existing stock of the previous version of these publications before printing the new version and making it available for order.

Because OCS developed the DHS-Pub 748 and DHS-Pub 748-SP to meet the federal requirement to provide child support applicants with their rights and responsibilities, OCS will continue to announce revisions to these publications with IV-D Memorandums. As for the other publications listed above, OCS will continue to follow a rigorous approval process for revisions but will not announce the revisions in IV-D Memorandums.

### **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice. The revised AOP in MiCSES (DCH-0682) (Rev. 10/2013) obsoletes the previous version of the DCH-0682w (Rev. 06/2006). The revised DHS-1454 (Rev. 9-14) obsoletes the previous version of the DHS-1454 (Rev. 7-09).

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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
45 Code of Federal Regulations (CFR) 302.2(a)(2)  
45 CFR 303.5(g)(5)

State  
None

**ATTACHMENTS:**

DCH-0682: *Affidavit of Parentage*

DHS-1454: *Office of Child Support Publication Order List*

**EPF/BTS**



STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-031**

**TO:** All Friend of the Court (FOC) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** December 1, 2014

**UPDATE(S):**

Manual

Form(s)

**SUBJECT:** *Michigan IV-D Child Support Manual* Section 6.03, "Income Withholding" Policy Updates Regarding Electronic Income Withholding Order (e-IWO) Processing

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces updates to Section 6.03, "Income Withholding" of the *Michigan IV-D Child Support Manual*. These updates primarily focus on e-IWO processing. The Michigan Child Support Enforcement System (MiCSES) 8.10 Release (December 5, 2014) will implement an additional e-IWO acknowledgment transaction, enhancements to e-IWO error handling, and separate tracking of certain e-IWO acknowledgments.

Other policy updates to Section 6.03 pertain to Social Security benefit withholding and Foreign Reciprocating Countries (FRCs). The policy related to withholding Social Security benefits was added to Section 6.03 from Michigan IV-D Action Transmittal (AT) 2007-029, *Implementation of the State Verification Exchange System (SVES) Program in the Data Warehouse Business Objects*.<sup>1</sup>

Significant changes to content in Section 6.03 since its last publication are indicated by a change bar in the right margin of the manual section.

<sup>1</sup> Only some of the information from AT 2007-029 was incorporated into Section 6.03. Therefore, AT 2007-029 will not be obsoleted with this publication of Section 6.03. The remaining material in the AT will be incorporated into other manual sections in the future.

## DISCUSSION:

### A. e-IWO Processing

The MiCSES 8.10 Release (December 5, 2014) will implement several updates to e-IWO processing.<sup>2</sup> IV-D staff will have access to information regarding the suspension of employment/income for a non-custodial parent (NCP) reported by sources of income (SOIs), and manual follow-up action will be necessary. The MiCSES 8.10 Release also includes changes to the way e-IWO errors and responses/acknowledgments from SOIs are tracked. e-IWO transmittal errors and acknowledgments will still require manual IV-D staff action(s); however, they will be more easily and quickly identified, and tracked with more clarity.

#### 1. SOI-Initiated Suspension Status

The federal Office of Child Support Enforcement (OCSE) implemented a new transaction for SOIs to use in the e-IWO acknowledgment process.<sup>3</sup> SOIs participating in the federal e-IWO System can now notify a state that is also participating that an individual is in a temporary suspended employment/income payment status.<sup>4</sup> For example, the individual is not terminated from employment but is on a leave of absence, is off assignment, or is in between job placements/contracts. The SOI may initiate this notification anytime based on having previously received and accepted an income withholding notice (IWN) or e-IWO (not as a direct acknowledgment immediately following the receipt of an e-IWO).<sup>5</sup> The transaction does not include an actual or anticipated date of return to regular employment/income payment status.

OCSE implemented this transaction at the request of the SOI community. The transaction will reduce the need for IV-D staff to contact SOIs to inquire about an individual's income status after payments are temporarily suspended but not terminated. This transaction will also help SOIs to comply with Michigan Compiled Law (MCL) 552.614, which requires SOIs to "...promptly notify the appropriate office of the friend of the court when the payer's employment is...interrupted for a period of 14 or more consecutive days...."

Section 6.03 includes a new subsection explaining the SOI-initiated suspension status transaction. It also describes the necessary FOC staff actions to follow up, monitor payments, and manually progress the IWO activity chain on the *Enforcement Processor* (ENFP) screen when appropriate.

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<sup>2</sup> Ref: the MiCSES 8.10 Release Notes on mi-support's [MiCSES Release Information](#) page.

<sup>3</sup> Ref: [OCSE Dear Colleague Letter \(DCL\)-13-03, FPLS Minor Release 13-01](#).

<sup>4</sup> A list of states participating in the e-IWO System is available on [OCSE's e-IWO State Implementation Status web page](#).

<sup>5</sup> In addition to this new transaction, the e-IWO system continues to have an existing suspense disposition reason code for SOIs to use with an acceptance or rejection acknowledgment as an immediate response to an e-IWO.

Section 6.03 also reflects the redesign of the *Electronic Withholding Information* (EIWO) screen (tabs, field names, etc.) in MiCSES, which includes a new tab that displays the new SOI-initiated suspense notification as well as suspense-related acceptance acknowledgments.

## 2. e-IWO Error Handling

MiCSES cannot send e-IWOs with missing required information to an SOI through the federal e-IWO System. Instead, MiCSES logs these e-IWOs on the *Batch Status Log* (BATE) screen, where IV-D staff review these errors. The BATE screen does not prompt IV-D staff to review errors and take action; IV-D staff must access the BATE screen to check for errors. Also, IV-D staff do not have a clear or accurate status of any e-IWOs available on the BATE screen because the IWO activity chain does not clearly indicate that the e-IWO was not sent to the SOI. The activity chain gives the appearance that MiCSES sent the e-IWO with the error to the SOI even though it was not sent. The MiCSES 8.10 Release will implement a new minor activity and reason codes that will indicate the reason for the error and more clearly show that the e-IWO was not sent.

After the MiCSES 8.10 Release, IV-D staff will still need to investigate e-IWO errors and take the appropriate manual action, but they will be able to manually review alerts and the IWO activity chain on the ENFP screen for e-IWO errors instead of relying solely on the BATE screen. In addition, IV-D staff must manually progress the IWO activity chain once an e-IWO error has occurred. Section 6.03 describes this necessary manual action and discusses e-IWO error handling in detail.

MiCSES will record on the BATE screen additional information regarding the e-IWO error (Case ID and action date). MiCSES will use this information to determine whether to send the subsequent e-IWO to the SOI and NCP as an original or an amended e-IWO. Section 6.03 explains this process.

## 3. e-IWO Rejections: “D” – Duplicate IWO, “U” – NCP is Not Known to the Employer, and “O” – Other Reason

The MiCSES 8.10 Release will implement separate tracking for e-IWO rejections with the following disposition reason codes:

- “D” – Duplicate IWO;
- “U” – NCP is Not Known to the Employer; and
- “O” – Other Reason.

This separation is necessary to ensure business requirements are met and IV-D staff are given more clarity for determining the underlying issue and the appropriate follow-up actions. In other words, the separation will allow MiCSES to determine whether it is appropriate when the obligation conditions change to

automatically send an amended e-IWO to the SOI. The action will depend on the particular rejection/reason code that was received from an SOI prior to the obligation change.

Policy in Section 6.03 for e-IWO rejections with the D, U, and O reason codes is unchanged, for the most part; however, it now includes additional information about these rejections and suggestions for manual action. IV-D staff are still responsible for manually investigating e-IWO rejections and taking corrective action. Because MiCSES was changed to not automatically send amended e-IWOs after rejections with the reasons U or O, IV-D staff will need to manually issue amended or termination e-IWOs if they determine (after conducting research) that the appropriate action is to reissue the e-IWO.

#### 4. e-IWO Receipt File Process Discontinued

As of April 1, 2013, OCSE discontinued the process by which SOIs provided an e-IWO Receipt File to the state through the e-IWO System to indicate how many e-IWOs the SOI received in a given file from the state. MiCSES will discontinue processing the e-IWO Receipt File with the MiCSES 8.10 Release.

Section 6.03 no longer includes a discussion of the “e-IWO Receipt File.”

### **B. Social Security Benefit Withholding**

Policy related to withholding Social Security benefits that was in Michigan AT 2007-029 was added to Section 6.03, Subsection 13.7, “IWNs for Social Security Act (SSA) Benefits.”

Social Security benefit withholding policy did not change. However, the procedure for adding a Social Security Administration office as an individual’s SOI on the *Member Employment History* (EHIS) screen was updated to reflect the current field names on the EHIS screen. In addition, the procedural step for completing the *IWN Information* pop-up window on the EHIS screen was replaced with completing income withholding initiation on the *Income Withholding* (IWNS) screen. The *IWN Information* pop-up window was removed from the EHIS screen and replaced by the IWNS screen in the MiCSES 4.0 Release (June 23, 2006). These changes are not identified by a change bar in Section 6.03.

### **C. Other Updates to Section 6.03**

Additional information was added to some of the e-IWO acknowledgments, and a reference to federal e-IWO business rules was added.

Also, the list of countries and Canadian provinces with which Michigan has a reciprocity agreement was updated in Subsection 13.12.4, “Policy for Sending IWNs to Countries Without FRC Status.” The policy clarifies that the procedures for

sending IWNs to countries and Canadian provinces that have a federal-level FRC agreement are different than those for countries and Canadian provinces that have an FRC agreement only with Michigan. IV-D staff must follow federal procedures when the country or Canadian province has a federal-level FRC agreement.

**NECESSARY ACTION:**

Review Section 6.03 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print the manual section and add it to the manual. Discard the previously published version of Section 6.03 (published August 29, 2014).

**REVIEW PARTICIPANTS:**

Enforcement Work Improvement Team  
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**SUPPORTING REFERENCES:**

Federal  
DCL-13-03

State  
MCL 552.614

**ATTACHMENT:**

Section 6.03:           Income Withholding

**EPF/CPT**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

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**IV-D MEMORANDUM 2014-032**

**TO:** All Friend of the Court (FOC) Staff  
All Michigan State Disbursement Unit (MiSDU) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** December 1, 2014

**SUBJECT:** Updates to the Federal Tax Refund Offset (FTRO) Fraud Process and to *Michigan IV-D Child Support Manual* Section 6.21, "Tax Refund Offset"

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

Fraudulent FTRO collections continue to be an issue for Michigan's IV-D program. OCS has updated the FTRO fraud process to no longer release collections on hold based on a non-custodial parent's (NCP's) confirmation to OCS that (s)he filed the tax return that generated the refund.

OCS has updated Section 6.21, "Tax Refund Offset," of the *Michigan IV-D Child Support Manual* to reflect this information. In addition, policy from IV-D Memorandum 2013-028, *Fraudulent Federal Tax Refund Offset (FTRO) Collections*, and from Frequently Asked Question (FAQ) 1249 (regarding enforcement against an NCP with a potentially fraudulent FTRO collection) has been incorporated into the manual section.

OCS has also made minor revisions to policy in Section 6.21 to reflect business process changes and to accommodate the future automation of the potential fraud queries.

Additionally, information on State Services Portal access and roles has been removed from Section 6.21 and is now included in Section 3.06, "State Services Portal." References to IV-D worker use of the State Services Portal during the tax refund offset process remain in Section 6.21.

<p><b>UPDATE(S):</b></p> <p><input checked="" type="checkbox"/> Manual</p> <p><input type="checkbox"/> Form(s)</p>
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Significant changes to Section 6.21 since its last publication are indicated by a change bar in the right margin of the manual section. Content from IV-D Memorandum 2013-028 and FAQ 1249 is not identified with a change bar unless it has significant revisions.

## **DISCUSSION:**

In November 2013, OCS and Michigan Child Support Enforcement System (MiCSES) staff implemented a process to identify certain FTRO collections as potentially fraudulent. This process helped protect Michigan's IV-D program against the monetary losses that occur when the Internal Revenue Service (IRS) later reverses an FTRO collection.

The process that was implemented in 2013 kept collections identified as potentially fraudulent on hold until either the IRS responded via the federal Office of Child Support Enforcement (OCSE), or until the NCP could demonstrate that (s)he had legitimately filed the federal tax return that resulted in the refund. The IRS response would indicate that the collection was either fraudulent or good, and OCS would return fraudulent collections to the IRS.

At that time, the majority of the fraudulent return activity was related to identity theft. Michigan's FTRO fraud process identified potentially fraudulent FTROs based on scenarios that appeared to be identity theft; therefore, if the NCP could prove that (s)he had filed the return, OCS Central Operations would release the payment from hold. Since November 2013, over \$250,000 in FTRO collections has been released from hold based on the NCP's confirmation of his/her identity, and then later, OCS received from the IRS a negative tax refund offset related to that refund.

OCS has subsequently discovered that the IRS classifies a return as fraudulent not only in instances of identity theft, but under certain other circumstances as well. For instance, the NCP may have under-reported income, taken deductions that (s)he is not legally entitled to, claimed additional dependents, etc. OCS has not been able to identify any criteria to differentiate an NCP who has fallen victim to identity theft from an NCP whose FTRO collection is determined fraudulent by the IRS for another reason. As a result, OCS has chosen to update the FTRO fraud process.

### **Changes to the FTRO Fraud Process**

OCS Central Operations will no longer release a potentially fraudulent FTRO collection when the NCP confirms to OCS that (s)he filed the income tax return. Therefore, when NCPs ask about a potentially fraudulent FTRO collection on hold, MiSDU or FOC staff will not refer them to OCS Central Operations. All IV-D workers will refer the NCP to the IRS Identity Protection Specialized Unit.

OCS will release a potentially fraudulent collection from hold only when Michigan receives a response from the IRS.

If an FOC worker's decision to continue discretionary enforcement activities is at stake, FOC staff may still opt to confirm that the NCP actually filed the income tax return when an NCP inquires about the held collection.

### **Changes to Section 6.21, "Tax Refund Offset"**

OCS has made the following changes to policy in Section 6.21:

- Renumbered and reorganized the policy and updated references to subsections;
- Updated IV-D staff instructions on how to proceed when a custodial party has questions about a held receipt;
- Clarified how IV-D staff must proceed when a receipt is on hold, both for potential fraud and because of a joint tax filing;
- Included fraudulent filing as a reason for negative offset;
- Updated references to documents previously stored on SharePoint that are now securely stored elsewhere;
- Updated references to individuals running the "potential fraud" and "fraudulent receipts on hold" queries since queries may be automated in the future;
- Updated references to the communication process between OCS Central Operations and OCSE;
- Updated references to the timing of the workflow to more accurately depict the current process;
- Indicated that OCS may decide not to follow up on OCSE fraud referrals after six months if the OCSE has reported a delay in sending referrals to or receiving referrals from the IRS;
- Removed the step where OCS Central Operations leaves a comment on the *MiCSES Notes Processor* (NOTE) screen when the IRS indicates that a receipt is valid; and
- Clarified that OCS's reevaluation of the FTRO fraud process is ongoing, rather than quarterly.

### **NECESSARY ACTION:**

Review Section 6.21 of the *Michigan IV-D Child Support Manual*. For those maintaining a hard copy of the manual, print the manual section and add it to the manual. Discard the previously published version of Section 6.21 (published May 8, 2012).

With the publication of Section 6.21, IV-D Memorandum 2013-028 and FAQ 1249 are obsolete.

### **REVIEW PARTICIPANTS:**

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**ATTACHMENT:**

Section 6.21: Tax Refund Offset

**EPF/JJV**



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**IV-D MEMORANDUM 2014-035**

**TO:** Attorney General Child Support Division Staff  
All Friend of the Court (FOC) Staff  
All Michigan Child Support Enforcement  
System (MiCSES) Staff  
All Michigan State Disbursement Unit (MiSDU) Staff  
All Office of Child Support (OCS) Staff  
All Prosecuting Attorney (PA) Staff

**UPDATE(S):**

Manual

Form(s)

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** December 1, 2014

**SUBJECT:** Updates to *Michigan IV-D Child Support Manual* Section 1.10,  
“Confidentiality/Security”

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces updates to *Michigan IV-D Child Support Manual* Section 1.10, “Confidentiality/Security.” Some of the updates implement new federal information-safeguarding requirements, while others refine existing security policy based on IV-D staff questions and federal guidance issued since the last update to Section 1.10.

Specifically, Section 1.10 includes:

- A discussion of new federal tax information (FTI) safeguarding requirements introduced in the most recent revision of the Internal Revenue Service (IRS) [Publication 1075: Tax Information Security Guidelines for Federal, State and Local Agencies](#);
- Updates to authorized access list requirements for IV-D offices;

- IV-D confidential contacts' new responsibilities related to the mi-support "Document Distribution Center";<sup>1</sup>
- Clarifications on the storage, labeling, and logging of papers, mobile devices, and portable media containing confidential information; and
- Details regarding disclosures of confidential information, including disclosures pursuant to a subpoena, disclosures to private child support collection agencies, and reporting suspected cases of abuse and neglect.

This IV-D Memorandum also introduces system enhancements implemented with the Michigan Child Support Enforcement System (MiCSES) 8.9.2, MiCSES 8.10, and Data Warehouse 2.15 releases. The MiCSES 8.9.2 Release (November 7, 2014) created functionality that allows users to change their password if it has expired; the MiCSES 8.10 and Data Warehouse 2.15 releases (December 5, 2014) will automatically label many MiCSES- and Business Objects-generated reports containing confidential information. Section 1.10 has been revised to reflect these new system enhancements.

This IV-D Memorandum introduces revisions to the following user access security forms:

- *IV-D Program Request to Delete Computer Access* (DHS-392);
- *IV-D Program Request for Computer Access* (DHS-393); and
- *IV-D Program Request for Changing Computer Access* (DHS-395).

The revised DHS-392, DHS-393, and DHS-395 include fields to allow IV-D staff to request, change, or delete access to the Central Paternity Registry/Birth Registry System (CPR/BRS). The CPR/BRS provides authorized IV-D staff with access to the Michigan Department of Community Health's (MDCH's) CPR and BRS databases.<sup>2</sup> With these revisions to the user access security forms, IV-D staff will no longer submit the *MiCSES CPR/BRS Interface Security Agreement* (DCH-1419) to request access to the CPR/BRS. Instead, IV-D staff will submit the appropriate DHS form to the MiCSES Help Desk. Minor revisions have also been made to the user access security forms to organize fields and clarify instructions. Section 1.10 content regarding the user access security forms has been revised to reflect those changes.

The revised DHS-393 and DHS-395 also include fields for IV-D staff to request new State Services Portal (SSP) roles that were introduced in [IV-D Memorandum 2014-023, State Services Portal \(SSP\) Policy Updates; Implementation of New SSP Applications](#). Section 1.10 content regarding the user access security forms has been revised to include the new SSP roles.

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<sup>1</sup> Ref: [MiCSES Customer Information Guide: mi-support Document Distribution Center](#) for more information on the Document Distribution Center.

<sup>2</sup> Ref: [Section 4.05, "Paternity Establishment," of the Michigan IV-D Child Support Manual](#) for more information on the CPR/BRS.

In Section 1.10, a change bar in the right margin indicates significant changes since the previous publication of the policy. Some of the content in Section 1.10 has been reorganized, but reorganized subsections are not identified with change bars.

Finally, this IV-D Memorandum reintroduces the following forms, which have not been revised:

- *Michigan Child Support Enforcement System (MiCSES) Child Support Case Disclosure Form (DHS-428)*;
- *Vendor, Contractor or Subcontractor Confidentiality Agreement (Treasury 3337)*;
- *State of Michigan Agency Employee Confidentiality Agreement (Treasury 4062)*;
- and
- *Verification of Confidentiality Compliance (Treasury 4092)*.

## **BACKGROUND:**

In September 2014, [IV-D Memorandum 2014-009, Updates to Michigan IV-D Child Support Manual Section 1.10, "Confidentiality/Security"](#) introduced many new safeguarding guidelines required by the federal Office of Child Support Enforcement (OCSE) and the IRS. OCSE introduced a Security and Privacy Program that all state IV-D programs were required to enter into beginning April 30, 2014. As part of the Security and Privacy Program, OCSE required state IV-D programs to implement a number of security controls. In April 2014, OCS signed a security agreement with OCSE attesting that Michigan's IV-D program would comply with those controls. In addition, on January 1, 2014, the IRS published a new revision of its *Publication 1075*. As a condition of receiving FTI from the IRS, agencies must comply with the safeguarding requirements in the *Publication 1075*.

IV-D Memorandum 2014-009 introduced updates to Section 1.10 that reflected many of the new OCSE and IRS safeguarding requirements. However, some of the new requirements needed further analysis prior to implementation. Section 1.10 now addresses those requirements.

## **DISCUSSION:**

The following is a summary of new and revised security policy in this publication of Section 1.10.

### **A. IRS *Publication 1075* Subsection and Requirements**

Section 1.10 has been updated to include a subsection on the IRS *Publication 1075*, "FTI Safeguarding Rules and the IRS *Publication 1075*." As recipients of FTI, each IV-D office must meet the *Publication 1075*'s safeguarding requirements in order to satisfy the Internal Revenue Code (IRC). This new subsection describes the *Publication 1075* and its purpose, and includes an overview of its sections that

pertain to IV-D offices. This subsection also includes hyperlinks to the relevant sections of the *Publication 1075* for more information.

In addition, Section 1.10 includes explicit policy on FTI safeguarding requirements that directly affect the everyday activities of IV-D staff. Subsection 8, “Storing and Handling Confidential Information,” has been updated to clarify safeguarding requirements for papers and electronic media<sup>3</sup> that contain FTI. These requirements include:

1. **Labeling.** Papers and electronic media containing FTI must be clearly labeled as containing “federal tax information”;
2. **Logging.** Whenever a IV-D worker creates a paper or electronic document containing FTI, (s)he must log and track the document from its creation until its destruction. If the format of the document changes (from electronic to paper, or vice versa), IV-D staff must continue to log it;
3. **Storage.** IV-D staff must protect unattended papers and electronic media containing FTI by locking those items in a secure container or room; and
4. **Disposal.** IV-D staff must securely dispose of papers and electronic media containing FTI. The disposal method must render the information completely unreadable and unusable.

Section 1.10 has also been updated to include information on the disclosure of FTI to contractors. IV-D agencies may disclose limited FTI to agents or contractors for the purpose of, and to the extent necessary in, establishing and collecting child support obligations and locating individuals owing such obligations. When a IV-D office seeks DHS approval of a subcontract, as required under its Cooperative Reimbursement Program (CRP) contract, it must also inform OCS whether FTI will be disclosed under the subcontract.

## **B. Resetting Expired MiCSES Passwords**

Section 1.10 has been updated to reflect a new MiCSES password management enhancement that was introduced in the MiCSES 8.9.2 Release.<sup>4</sup> The enhancement allows a user to change his/her own expired MiCSES password without calling the MiCSES Help Desk to request a password reset. Now when a user logs in with an expired password, MiCSES automatically directs him/her to the *Change Password* (PASS) screen. The user must then create a new password to access MiCSES.

**Note:** To create the password reset functionality, the maximum life of a MiCSES password has been reduced from 90 days to 85 days.

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<sup>3</sup> “Electronic media” includes items such as CDs, DVDs, and flash drives.

<sup>4</sup> The password management enhancement was communicated to all MiCSES users in the [November 7, 2014 hotline notification](#).

### **C. After-Hours Access to IV-D Offices by Non-IV-D Staff**

Section 1.10 has been updated to include a brief subsection on after-hours access to IV-D offices by non-IV-D staff. If IV-D offices permit non-IV-D staff to access the office during non-business hours, confidential information must be locked in a secure container or room.

### **D. Authorized Access Lists**

Section 1.10 has been updated to include the IRS requirement that IV-D offices maintain two separate authorized access lists: one for agency employees, and another for non-employees such as vendors and contractors. It also clarifies that individuals named on the authorized access list do not require an escort.

### **E. Document Distribution Center on mi-support**

The mi-support website has a new “Document Distribution Center” page that allows IV-D staff to retrieve ad hoc query results and Help Desk notification attachments directly through mi-support rather than email. MiCSES staff created the Document Distribution Center to address technical challenges that MiCSES Help Desk and Data Warehouse staff encountered when emailing large spreadsheets to users. MiCSES Help Desk and Data Warehouse staff will encrypt any files containing confidential information that they upload to the page and will provide IV-D offices’ confidential contacts with the passwords for the files. Section 1.10 has been updated to explain confidential contacts’ role in this process.

### **F. Labeling of Printed Reports**

OCSE’s Security and Privacy Program requires the labeling of all printed reports containing confidential information.<sup>5</sup> The MiCSES 8.10 and Data Warehouse 2.15 releases (December 5, 2014) will introduce system improvements that automatically label MiCSES- and Business Objects-generated Excel and PDF reports containing confidential information. However, OCS cannot implement automatic labeling for reports generated by applications that OCS does not maintain (e.g., SSP and e-OSCAR). If an application generates a report containing confidential information and does not label the report, IV-D staff must manually label it.

### **G. Disclosure of Confidential Information**

Section 1.10 includes new and updated guidance on the following topics:

- **Disclosures Pursuant to a Subpoena.** IV-D offices sometimes receive subpoenas requesting IV-D case information for purposes unrelated to the IV-D

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<sup>5</sup> OCSE Security Agreement, II.C.2

child support program. Although there are exceptions, IV-D staff must disclose confidential case information only for IV-D purposes. Section 1.10 has been updated to include guidance on handling subpoenas requesting confidential information for non-IV-D purposes.

- **Disclosures to Private Collection Agencies.** OCSE has issued a final rule prohibiting the disclosure of confidential information to private collection agencies out of concern that these agencies do not serve the best interests of children.<sup>6</sup> Section 1.10 has been updated to include this rule.
- **Reporting Abuse and Neglect.** State law requires, and federal regulation permits, OCS staff to report suspected child abuse and neglect, and the abuse, neglect, or exploitation of adults.<sup>7</sup> Section 1.10 has been updated to include this reporting obligation and to clarify the extent to which OCS staff may disclose confidential information when reporting abuse and neglect.

## H. Other Minor Policy Additions and Clarifications

In addition to more substantive updates, this revision of Section 1.10 contains minor policy updates and clarifications. Section 1.10:

- Notes that IV-D staff may submit certain forms by email instead of mailing or faxing them. The *Security Incident Report* (DHS-882) and *OCS On-Site Training Security Checklist* (DHS-876) may be emailed to [DHS-OCS-Security@michigan.gov](mailto:DHS-OCS-Security@michigan.gov), while user access security forms (DHS-392, DHS-393, DHS-395, and DHS-428) may be emailed to [DIT-MiCSES-Helpdesk@michigan.gov](mailto:DIT-MiCSES-Helpdesk@michigan.gov);<sup>8</sup>
- States that the restrictions on the use and disclosure of confidential information, and any penalties for unauthorized use and disclosure, apply to IV-D staff even after their employment/contract has ended;<sup>9</sup>
- Includes a new OCSE requirement for IV-D staff when transporting papers containing confidential information. IV-D staff must maintain a log of the individuals whose information is contained in the papers. The log will help staff identify the individuals affected, in the event the papers are lost or compromised;
- Clarifies the purposes for which confidential information may be provided to other state agencies;
- Discusses the disclosure of State Directory of New Hires (SDNH) data, and refers to Section 3.10, “New Hire” of the *Michigan IV-D Child Support Manual* for a detailed discussion of disclosure of SDNH and National Directory of New Hires (NDNH) data; and
- Contains updated citations to legal authority and policies.

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<sup>6</sup> Ref: [OCSE Action Transmittal \(AT\)-10-12, Final Rule: Safeguarding Child Support Information](#).

<sup>7</sup> Michigan Compiled Law (MCL) 722.623; MCL 400.11a; 45 Code of Federal Regulations (CFR) 303.21(d)(1)(ii)

<sup>8</sup> IV-D staff must encrypt any emailed forms that contain confidential information (e.g., DHS-428).

<sup>9</sup> IRS Publication 1075, Section 6.3

## I. Edits to User Access Security Forms

The DHS-392, DHS-393, and DHS-395 have been updated with formatting changes and fields related to the CPR/BRS and new SSP roles. All significant revisions to the forms are listed below.

1. In the previous versions of the DHS-393 and DHS-395, there was a Default View field for FOC, PA, OCS, and AG staff, and a separate Default View field for all other IV-D staff. On both forms, the Default View fields have been consolidated into one field. The new field includes a note reminding staff who do not work for the FOC, PA, OCS, or AG to provide a business need and supervisor's signature.
2. Checkboxes have been added to the DHS-393 and DHS-395 to allow IV-D workers who have a business need and supervisor approval to request the following new SSP user roles:
  - Locate Administrator; and
  - DoD Entitlement Administrator.
3. The DHS-393 and DHS-395 have been revised to organize all SSP user roles exclusive to OCS Central Operations staff. Checkboxes have been added to both forms to allow OCS Central Operations staff who have a business need and supervisor approval to request the following new SSP roles:
  - Locate Non-IV-D;<sup>10</sup> and
  - e-IWO.
4. The DHS-392 has been updated to include:
  - a. A field for IV-D staff in county IV-D offices to request deletion of their LGNet Active Directory (LGAD) account;<sup>11</sup> and
  - b. A field for IV-D staff to request deletion of their CPR/BRS account.
5. The DHS-393 has been updated to include the following CPR/BRS content:

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<sup>10</sup> Federal regulations permit IV-D staff to perform locate requests for certain non-IV-D purposes, including adoption and foster care, parental kidnapping, and custody and visitation establishment or enforcement (45 CFR 302.35[d]).

<sup>11</sup> LGAD is the domain maintained by the Department of Technology, Management & Budget (DTMB) that allows LGNet-based FOC and PA offices to access resources on the State of Michigan Network, such as SSP and mi-support.

- a. Fields for IV-D staff to request access to the CPR/BRS and, if necessary, a biometric device for their office;
  - b. A table for DTMB and MDCH staff to track approvals for CPR/BRS access; and
  - c. User agreement language pertaining to the CPR/BRS.
6. The DHS-395 has been updated to include:
- a. A checkbox for IV-D staff to clearly indicate they are requesting a change in system role(s);
  - b. A checkbox and field for IV-D staff to update their contact information for the various IV-D applications;
  - c. Checkboxes for IV-D staff to change their CPR/BRS role; and
  - d. A table for DTMB and MDCH staff to track approvals for CPR/BRS access.

Minor revisions in formatting and language have also been made to each form to clarify instructions and organize fields. Section 1.10 has been updated to reflect changes to the forms.

#### **NECESSARY ACTION:**

Read the updated policy information in Section 1.10 of the *Michigan IV-D Child Support Manual*. All IV-D staff must read and understand the security requirements in Section 1.10 and take appropriate action. For those maintaining a hard copy of the manual, print the manual section and add it to the manual. Discard the previous version of Section 1.10, published September 3, 2014.

With this publication of Section 1.10, the following items are obsolete:

- *Friend of the Court Manual, FOC 360, IRS 1099 Match Process;*
- *Friend of the Court Manual, FOC 360X1, Internal Revenue Code Excerpts;*
- *Friend of the Court Manual, FOC 360X2, Sample IRS 1099 Certification Statement;*
- *Friend of the Court Manual, FOC 360X3, Available Definitions of 1099 Document Codes;*
- *Friend of the Court Manual, FOC 360X4, Report APT-100, IRS 1099 Matched Requests; and*
- *Friend of the Court Manual, FOC 360, Report APT-150, IRS 1099 No Match Report.*

#### **REVIEW PARTICIPANTS:**

Program Leadership Group  
Establishment Work Improvement Team  
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**SUPPORTING REFERENCES:**

Federal  
45 CFR 302.35(d)  
45 CFR 303.21(d)(1)(ii)

*IRS Publication 1075: Tax Information Security Guidelines for Federal, State and Local Agencies*  
OCSE AT-10-12  
OCSE Dear Colleague Letter (DCL)-14-5

State  
MCL 400.11a  
MCL 722.623

**ATTACHMENTS:**

Section 1.10:	Confidentiality/Security
DHS-392:	<i>IV-D Program Request to Delete Computer Access</i>
DHS-393:	<i>IV-D Program Request for Computer Access</i>
DHS-395:	<i>IV-D Program Request for Changing Computer Access</i>
DHS-428:	<i>Michigan Child Support Enforcement System (MiCSES) Child Support Case Disclosure Form</i>
Michigan Department of Treasury 3337:	<i>Vendor, Contractor or Subcontractor Confidentiality Agreement</i>
Michigan Department of Treasury 4062:	<i>State of Michigan Agency Employee Confidentiality Agreement</i>
Michigan Department of Treasury 4092:	<i>Verification of Confidentiality Compliance</i>

**EPF/KZM**



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES  
LANSING

RICK SNYDER  
GOVERNOR

MAURA D. CORRIGAN  
DIRECTOR

**IV-D MEMORANDUM 2014-036**

**TO:** All Friend of the Court (FOC) Staff  
All Prosecuting Attorney (PA) Staff  
All Office of Child Support (OCS) Staff

**FROM:** Erin P. Frisch, Director  
Office of Child Support

**DATE:** December 1, 2014

**SUBJECT:** Updates to Central Paternity Registry and Birth Registry System (CPR/BRS) Policy and Introduction of Section 4.05, "Paternity Establishment" of the *Michigan IV-D Child Support Manual*

**RESPONSE DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces updates regarding the Central Paternity Registry and Birth Registry System (CPR/BRS) combined search tool.

This memorandum also introduces Section 4.05, "Paternity Establishment," of the *Michigan IV-D Child Support Manual*. CPR/BRS policy and procedures from IV-D Memorandum 2013-031, *Central Paternity Registry and Birth Registry System (CPR/BRS) Combined Search Tool for the IV-D Child Support Program* have been incorporated into Section 4.05. Significant changes since the last publication of the CPR/BRS policy are indicated by a change bar in the right margin of the manual section and its attached exhibits. Changes in formatting are not identified with a change bar.

This publication of Section 4.05 includes only CPR/BRS policy. Additional policy regarding paternity establishment will be incorporated into the manual section in a future publication.

Finally, this memorandum announces an updated table of contents for the *Michigan IV-D Child Support Manual*. Asterisks have been added to the end of section title 4.05, "Paternity Establishment" to indicate the availability of this new manual section. The updated table of contents is attached to IV-D Memorandum 2014-023, *State Services*

**UPDATE(S):**

Manual

Form(s)

*Portal (SSP) Policy Updates; Implementation of New SSP Applications*, which is being published at the same time as this IV-D Memorandum.

## **DISCUSSION:**

### **Forms for Requesting, Changing, or Deleting CPR/BRS Access**

Effective December 1, 2014, IV-D staff who request, change, or delete access to CPR/BRS must complete one of the following OCS user access security forms and submit it to the Michigan Child Support Enforcement System (MiCSES) Help Desk:

- *IV-D Program Request to Delete Computer Access* (DHS-392);
- *IV-D Program Request for Computer Access* (DHS-393); or
- *IV-D Program Request for Changing Computer Access* (DHS-395).<sup>1</sup>

Previously, when IV-D staff wanted to request, change, or delete their CPR/BRS access, they completed the *MiCSES CPR/BRS Interface Security Agreement* (DCH-1419) and submitted it to the Michigan Department of Community Health (MDCH).

OCS has added selections for CPR/BRS access to the user access security forms. Also, the DHS-393 now has a checkbox for requesting a biometric device, a small fingerprint scanner that allows access to CPR/BRS.<sup>2</sup> The addition of CPR/BRS to OCS's existing security forms will simplify the process for IV-D staff to request or change system access.

References to the DCH-1419 in Section 4.05 have been replaced with the DHS-393. In addition, Section 4.05 explains the conditions that users must comply with when signing the DHS-393 to request CPR/BRS access.

### **Biometric Devices**

MDCH requires the use of a biometric device for fingerprint scanning authentication for all persons accessing confidential CPR/BRS data. The number of these devices is limited. Section 4.05 states that as authorized user roles change and individual CPR/BRS accounts close, existing biometric devices must be given to users with new CPR/BRS accounts. If new CPR/BRS users need a biometric device, they will check the box for this purpose on the DHS-393.

### **Technical Assistance for CPR/BRS**

Previously, CPR/BRS policy advised IV-D staff to contact the MiCSES Help Desk for technical assistance with CPR/BRS or the biometric device. It also described the

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<sup>1</sup> For more information on the user access security forms, reference [Section 1.10, "Confidentiality/Security," of the Michigan IV-D Child Support Manual.](#)

<sup>2</sup> Ref: the "Biometric Devices" section in this IV-D Memorandum for more information.

process that MiCSES Help Desk staff followed to direct inquiries to the appropriate staff (OCS, MDCH, or DTMB<sup>3</sup>).

Now IV-D staff needing technical assistance may refer to a CPR/BRS troubleshooting chart on mi-support.<sup>4</sup> This chart provides specific directions for resolving CPR/BRS access and usage issues. It also lists which staff must be contacted for further assistance. Some CPR/BRS issues can be resolved by the MiCSES Help Desk, while others may be resolved by the DTMB Client Service Center. For issues requiring the DTMB Client Service Center, Tier 3 (county-managed) offices will instead contact their county information technology (IT) staff. An explanation of the troubleshooting chart has been added to Section 4.05.

### **Additional Changes to CPR/BRS Policy in Section 4.05**

- The estimated time it takes for a record to appear in the CPR has been changed from “up to two months” to “at least two months.”
- References to “certified copies” have been changed to “certified AOP abstracts.”
- On the *VR Request for Paternity Information* screen in CPR/BRS, in the *Request Type* drop-down, the *Mail VR Certified* option applies when a person is already located and a signed *and certified* copy of the *Affidavit of Parentage* (AOP) is needed. (The words “and certified” have been added.)
- Details on search parameters and report generation have been added to the descriptions of the *User Audit Report* and *User Status Report*.
- IV-D staff who cannot reset their Single Sign-On (SSO) password using the methods described in Section 4.05 will call the DTMB Client Service Center instead of calling or emailing the MiCSES Help Desk.

### **NECESSARY ACTION:**

For those maintaining a hard copy of the *Michigan IV-D Child Support Manual*, print manual section 4.05, its exhibits, and the updated table of contents (attached to IV-D Memorandum 2014-023) and add them to the manual. With the publication of Section 4.05, the following are obsolete:

- IV-D Memorandum 2013-031 and its attachments; and
- The *MiCSES CPR/BRS Interface Security Agreement* (DCH-1419), which is an attachment to IV-D Memorandum 2013-002. Although MDCH staff will still use this form, IV-D staff will no longer use it to request access to CPR/BRS. Therefore, the DCH-1419 will be obsoleted from mi-support.

### **REVIEW PARTICIPANTS:**

Establishment Work Improvement Team (WIT)

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<sup>3</sup> Department of Technology, Management & Budget

<sup>4</sup> A link to the CPR/BRS [troubleshooting chart](#) is available on mi-support on the Central Activities tab → Paternity page.

Program Leadership Group

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**CC:**

Glenn Copeland, MDCH

**ATTACHMENTS:**

Section 4.05: "Paternity Establishment"

4.05E1: Central Paternity Registry (CPR) Record Types

4.05E2: Central Paternity Registry (CPR) and Birth Registry System (BRS) Printed Document Types

4.05E3: Instructions for Accessing the Central Paternity Registry and Birth Registry System (CPR/BRS) Application

**EPF/EW**