



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

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**IV-D MEMORANDUM 2017-016**

**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:** July 13, 2017

**SUBJECT:** Updates to Michigan’s Federal Reporting Process, the *Child Support Enforcement Annual Data Report OCSE-157 (FR-157)*, and Other Related Business Objects Reports

**UPDATE(S):**

Manual

Form(s)

**ACTION DUE:** None

**POLICY EFFECTIVE DATE:** July 21, 2017

**PURPOSE:**

The introduction of the automated Medicaid negative offset process within the Michigan Child Support Enforcement System (MiCSES) has created the need for changes to Michigan’s federal reporting process. This has resulted in changes to the following Business Objects reports that will be effective with the Data Warehouse 2.29.2 Release on July 21, 2017:

- The *Child Support Enforcement Annual Data Report OCSE-157 (FR-157)*;
- The *County Performance Incentive Factors Report (FR-004)*;
- The *Michigan Child Support Program Performance Management Dashboard (DB-001 and DB-002)*;
- *Improving OCSE-157 Performance Indicators – Current Support (FR-002B)*; and
- *Improving OCSE-157 Performance Indicators – Arrears Cases (FR-002C)*.

The changes to Michigan’s federal reporting process have also resulted in an update to Exhibit 1.30E1, Performance Factor Indicators. This exhibit is being published with this memorandum.

This memorandum also announces the Data Warehouse's resumption of federal reporting batches. The running of these batches was briefly suspended while waiting for the federal reporting changes to be made.

## **DISCUSSION:**

### **A. Changes to the Federal Reporting Process**

With the MiCSES 9.5 Release (June 15, 2017), OCS implemented an automated Medicaid negative offset process.<sup>1</sup> This process introduced a new MiCSES receipt source<sup>2</sup> (Receipt Type 1 - Medicaid Recoupment) that affects the inclusion of disbursed collections on the OCSE-157 and related reports. Prior to the 9.5 release, OCS had only one automated offset process, and it was related to TANF.<sup>3</sup>

OCS and Data Warehouse staff are updating the federal reporting process and several Business Objects reports to address support disbursements made as a result of posting Medicaid recoupments with the new receipt type. The Receipt Type 1 is usually associated to an original receipt in MiCSES. When a disbursement is recouped from Medicaid and the new Receipt Type 1 is created, the new receipt will be a recoupment receipt.<sup>4</sup>

OCS and Data Warehouse staff are also making updates to Business Objects reports FR-002B and FR-002C to include the MiCSES hold code (SMNO)<sup>5</sup> that was introduced by the Medicaid negative offset process.

### **B. Updates to Business Objects Reports**

#### **1. FR-157 and FR-004**

OCS and Data Warehouse staff considered revising the following lines:

- Line 18 – Cases With Collections During the Fiscal Year;
- Line 18a – Interstate Cases Received From Another State With Collections During the Fiscal Year;
- Line 25 – Total Amount of Support Distributed as Current Support During the Fiscal Year;

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<sup>1</sup> Ref: [IV-D Memorandum 2017-013, Automated Medicaid Negative Offset Process for the Recoupment of Incorrect Medical Support Paid to the State](#), 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>2</sup> Ref: [Collections/Receipting documentation](#) on mi-support for more information.

<sup>3</sup> TANF (Temporary Assistance for Needy Families) is known as the Family Independence Program (FIP) in Michigan.

<sup>4</sup> Ref: Section 5.40 of the *Michigan IV-D Child Support Manual* for a discussion of net overpayments – recoupment receipts that are not associated to an original receipt in MiCSES. Net overpayments and other recoupment receipts that are not associated to an original receipt will not affect the OCSE-157.

<sup>5</sup> SMNO is a Medicaid negative offset suspense hold.

- Line 27 – Total Amount of Support Distributed as Arrears During the Fiscal Year; and
- Line 36 – Amount of Cash Medical Support Received that was Assigned to the State.

a. Lines 18 and 18a

For Lines 18 and 18a, a disbursement from a Receipt Type 1 will not be counted toward cases with disbursed collections. The disbursement will not be counted toward cases with collections because the disbursement is counted when the original receipt is disbursed. Lines 18 and 18a are a count of cases for which there was a disbursement, so it does not matter which disbursement is counted, as long as only one is counted.

b. Lines 25, 27, and 36

Following the Data Warehouse 2.29.2 Release on July 21, 2017, the disbursement from a Receipt Type 1 will not be counted for federal reporting purposes. This is because Michigan already counted the money when the associated original receipt was disbursed.

This is the same logic that Michigan's federal reporting process currently uses with recouped funds from the automated TANF recoupment process – the money is counted when the original receipt is disbursed, and it is ignored when the recoupment is disbursed.

2. DB-001 and DB-002

The Child Support Dashboards will be updated to reflect the same changes being made to the FR-157 and the FR-004.

3. FR-002B and FR-002C

The FR-002B and FR-002C Business Objects reports each include a list of money held in suspense<sup>6</sup> on various MiCSES hold codes. Both reports will be updated to include a column for SMNO-held money so that IV-D workers can see money on SMNO hold for a case that has not had a payment of current support (FR-002B) or arrears (FR-002C) during the reporting period.

The logic described in Section B(1)(b) of this memorandum also applies to the determination of which cases appear on the FR-002B and FR-002C.

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<sup>6</sup> Ref: [Suspense Management documentation](#) on mi-support.

### C. Projected Impact on Performance Incentive Factors

Any time a change is made to Line 25 of the OCSE-157, there is the potential to affect the Current Support Percentage incentive factor, which is calculated by dividing Line 25 by Line 24 (Total Amount of Current Support Due for the Fiscal Year). If the value of Line 25 decreases while the value of Line 24 remains steady, the Current Support Percentage incentive factor will fall.

The manual Medicaid negative offset process that was used before the MiCSES 9.5 Release (June 15, 2017) was correctly accounted for in the federal reporting process. If IV-D staff continue to perform Medicaid negative offsets the same way they were performing them manually (i.e., not performing them more often or distributing them to non-IV-D debt types more often), no impact is expected to the Current Support Percentage or to any other performance incentive factor.

### D. Resumption of Federal Reporting Batches

OCS sent an [email notification](#) on June 30, 2017, announcing that the Data Warehouse would delay the June 2017 federal reporting batch. With Data Warehouse Release 2.29.2 on July 21, 2017, Data Warehouse staff will resume running federal reporting batches. The June batch is expected to be run the evening of July 23, 2017. All federal reports run on Monday, July 24, or later will include June data if the user selects a time period that includes it. The July batches and subsequent batches will not be delayed. The following Business Objects reports are affected:

- The *Child Support Enforcement Annual Data Report OCSE-157* (FR-157);
- The *County Performance Incentive Factors Report* (FR-004);
- The *Michigan Child Support Program Performance Management Dashboard* (DB-001 and DB-002);
- *Improving OCSE-157 Performance Indicators – Open Cases without an Order Established* (FR-002);
- *Improving OCSE-157 Performance Indicators – Open Cases with Children that do not have Paternity Established* (FR-002A);
- *Improving OCSE-157 Performance Indicators – Current Support* (FR-002B); and
- *Improving OCSE-157 Performance Indicators – Arrears Cases* (FR-002C).

The quarterly reports provided by OCS Planning and Evaluation will be posted to mi-support's [Performance Management page](#) after the data becomes available.

### E. Changes to Exhibit 1.30E1

OCS has updated Exhibit 1.30E1, which provides detailed information on how each performance factor is calculated. It reflects the changes to Line 25 of the FR-157 and FR-004 with new information on how disbursements from Type 1 and Type 5

receipts are counted in federal reports. The new information can be found on Page 3 of the exhibit.

A revision has also been made to Page 1 of the exhibit to clarify how insurance information appears on the *Support Order Entry (SORD)* or *Medical Order Provisions (MORP)* screens.

**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 Exhibit 1.30E1 and add it to the manual. Discard the previously published version of the exhibit (published December 1, 2016).

**REVIEW PARTICIPANTS:**

Performance Management Workgroup  
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**CC:**

None

**SUPPORTING REFERENCES:**

Federal  
Instructions for Completing Form OCSE-157; The Child Support Enforcement Annual Data Report

**ATTACHMENT:**

Exhibit 1.30E1: Performance Factor Indicators

**EPF/JJV**