

# Case Participant Questions Regarding the End of State-Owed Birth Expense Recovery

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### **Introduction**

IV-D staff should read this document in its entirety and in conjunction with IV-D Memorandum 2024-021 and Section 4.25, “Birth Expenses,” of the *Michigan IV-D Child Support Manual*. This will help to ensure a full understanding of the issues presented.

This document is not meant to include every question a IV-D worker may receive from a case participant; rather, it is a guide to answering frequently asked questions.<sup>1</sup>

### **Custodial Party (CP) Questions**

**1. Will the custodial party (CP) receive a notice about the forgiveness of birth expense arrears owed to the State of Michigan?**

No, the *Birth Expense Parent Letter* will be sent only to the non-custodial parent (NCP).

**2. Will birth expense debts owed to the CP be forgiven?**

No, in IV-D cases where a parent or other person incurred birth expenses when Medicaid did not pay the expenses, the parents will continue to be responsible for sharing these expenses. There will be no change to the processing of these cases.

**3. Is there any impact to money owed to the CP?**

No, the debt forgiveness applies only to state-owed birth expenses, and there is no change to any money owed to the CP.

**4. Can CPs still seek reimbursement of birth expenses paid by themselves for out-of-pocket costs or deductibles?**

Yes, Michigan Compiled Law (MCL) 722.712(2)(c) allows the court, at the request of a person who has paid birth expenses, to order a parent to pay the person for his/her share of the birth expenses. In order for these birth expenses to be IV-D enforceable, the amount must be apportioned to the parents per the Michigan Child Support Formula (MCSF) guidelines.

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<sup>1</sup> Prior to answering any case-specific questions, IV-D workers must verify the individual's identity as directed in Subsection 10.1 of [Section 1.10, “Confidentiality/Security,” of the Michigan IV-D Child Support Manual](#).

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### 5. What can I tell the CP about why these arrears were forgiven?

The state, as the payee of these debts, is no longer seeking to be reimbursed. This is intended to allow more money to go directly to families instead of to the state. The forgiveness of state-owed debts allows for that money to be available for other debts that the payer may have, including child support debts owed to the CP.

### 6. Will Medical Support (MS) owed (assigned) to the state be forgiven for Medicaid benefits the CP receives for his/her child(ren)?

No. The child support program will still send medical support payments to the state while the CP receives Medicaid for his/her child(ren).

### Non-Custodial Parent (NCP) Questions

### 7. Do NCPs have to do anything to discontinue their monthly birth expense obligations from charging or to have their birth expense arrears owed to the State of Michigan forgiven?

No, automatic forgiveness will occur on January 1, 2025. This will include both arrears and fixed obligations.

### 8. Will NCPs receive notice about the forgiveness of birth expense arrears owed to the State of Michigan?

Yes, all NCPs who have their state-owed birth expenses forgiven will receive the *Birth Expense Parent Letter*, which is generated by MiCSES. If NCPs are verified MiChildSupport users, they will be able to view the letter in MiCase.

### 9. Who does the *Birth Expense Parent Letter* direct NCPs to contact if they have questions regarding the forgiveness of their birth expense debts?

The *Birth Expense Parent Letter* directs NCPs to contact their local Friend of the Court office.

### 10. Once birth expense debts owed to the State of Michigan have been forgiven, could the NCP be required to repay those debts at a later date?

No, the Michigan Department of Health and Human Services (MDHHS) will have forgiven the state-owed birth expense debts owed to the State of Michigan and removed those amounts from MiCSES on January 1, 2025. Additionally, the Paternity Act was recently amended to remove the requirement for unwed fathers to pay an apportioned amount of Medicaid-paid birth expenses when requested by OCS.

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### **11. Will the NCP receive any refund for state-owed birth expenses paid prior to the forgiveness date?**

No, there will be no refunds provided for any money paid toward state-owed birth expenses prior to the forgiveness date. The debt was legally owed during that time period and was not forgiven until January 1, 2025.

### **12. What should I say to NCPs who are upset because they paid all or a part of their state-owed birth expenses already?**

The Michigan Legislature approved the forgiveness of state-owed birth expense debts on a specific date, and the State of Michigan fiscal year 2025 budget included funding for that forgiveness. However, funding was not approved for any reimbursement of state-owed birth expenses paid before that date.

### **13. The NCP has heard about the forgiveness of state-owed birth expenses and wants to know if enforcement efforts will stop on his/her case. What can I tell the NCP?**

Until the date of forgiveness, enforcement activities may proceed, and any enforcement actions required by law must proceed. After the date of forgiveness, enforcement activities may proceed if, after the removal of those debts, the case still meets any threshold requirements for enforcement to be initiated. (Ref: Exhibit 2024-021E1, Enforcement Impacts of Birth Expense Forgiveness, for more information.)