

IV-D Staff Questions Regarding the End of State-Owed Birth Expense Recovery

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Enforcement Questions

1. Will an income withholding notice (IWN) terminate once the case is “fee only”?

Generally, the Michigan Child Support Enforcement System (MiCSES) will not terminate income withholding if the only remaining obligations are Service Fees (SF)/Processing Fees (PF); however, it will do so if there are other conditions that would normally cause termination. For example, MiCSES will terminate income withholding if the only obligations remaining are SF/PF and there is money on a receipt-level hold (such as a federal tax refund offset hold) that is greater than the amount owed for SF/PF.

MiCSES will automatically issue a termination IWN if no current support or arrears are remaining for other IWN-eligible obligations. For example, if the only obligation remaining is Bench Warrant/Court Cost (BW), the income withholding will automatically terminate because this obligation is not eligible for the IWN.

This is covered in Exhibit 2024-021E1, Enforcement Impacts of Birth Expense Forgiveness.

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2. Will Friends of the Court (FOCs) be able to see which cases have bench warrants? How will the birth expense task affect bench warrants?

Yes, FOCs will be able to see which cases have bench warrants. The Business Objects report AQ10010573, *State-Owed Birth Expenses (CM/MD)* lists cases that have bench warrants. The *Birth Expense Forgiveness Post-Implementation Report*¹ will also list which cases have bench warrants.

Exhibit 2024-021E1, Enforcement Impacts of Birth Expense Forgiveness, discusses how the birth expense task will affect bench warrants. Specifically:

- **MiCSES will not automatically dismiss bench warrants** even if no support arrears remain after the CM/MD obligation is forgiven. The dismissal of a bench warrant is a manual process.
- **MiCSES will not automatically update the bond amount** on existing bench warrants. The court sets the bond when it orders the bench warrant. Adjusting the bond amount is a manual process.

The Office of Child Support (OCS) defers to and supports local preference for deciding whether to seek bench warrant dismissal. It may be appropriate to dismiss a bench warrant to prevent the non-custodial parent's (NCP's) arrest when the underlying CM/MD obligation no longer exists. However, OCS is not requiring the dismissal of warrants in deference to the court's existing order after the show cause hearing. Bench warrants resulting from show cause hearings are due to the NCP's failure to appear. If there is an existing bench warrant, the NCP failed to appear for a hearing that occurred before CM/MD forgiveness.

3. Will the birth expense task automatically remove bench warrants?

No. MiCSES does not automatically dismiss or pull bench warrants, and the birth expense task will not do this either. See Question 2 for additional information.

4. After the birth expense task is implemented, will MiCSES automatically submit updated arrears amounts to the credit reporting agencies?

Yes. This is discussed in Exhibit 2024-021E1, Enforcement Impacts of Birth Expense Forgiveness.

¹ This is also referred to as the *FOC Report* (results).

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System Questions

5. If the NCP has another case, will payments originally intended to pay state-owed birth expenses go to that case?

Yes, MiCSES may apply payments to other cases according to allocation/distribution priorities. If the NCP has a source of income (SOI), all dockets should have an IWN. The IWN(s) for the docket(s) that has or had a CM/MD obligation will continue to collect for that obligation until an amended IWN is issued to the SOI. During that time, any collection originally intended to pay the CM/MD obligation may apply to the case(s) that does not or did not have a CM/MD obligation. CM obligations have the same distribution priority as child support (CS). MD obligations (if any still exist) have the same distribution priority as Service Fees (SF)/Processing Fees (PF). SF/PF and Bench Warrant/Court Cost (BW) obligations have a lower distribution priority than support and birth expense obligations. IV-D Memorandum 2024-021 does not cover the distribution priorities.

The AQ10010573, *State-Owed Birth Expenses (CM/MD)* Business Objects report indicates whether other cases exist for the NCP and includes information on what type of IWN is active (e.g., "Judicial" [J-type], "Guideline" [G-type], etc.).

6. Since the birth expense task was put into MiCSES in September 2022, how does OCS know that it still works as expected?

The MiCSES team has spent a significant amount of time retesting the birth expense functionality because there have been several system updates since it was originally put into MiCSES. The testing has gone very well, and the team has determined that the first day of the month is the best time to run the forgiveness batch.

7. Will the one-time birth expense batch remove all the state-owed birth expense debt on cases? Will both fixed obligations and arrears be removed?

Yes, the one-time batch will remove state-owed birth expense debt from MiCSES, including fixed obligations and arrears. The one-time batch has been extensively tested and is working as intended.

8. Will the one-time birth expense batch add any notes to affected cases?

Yes, there will be two different notes that may be entered on affected cases:

- "Effective < **Birth Expense Effective End Date (mm/dd/yyyy)**> OCS no longer charges birth expenses for MA paid births (Dynamics ticket 10005771)."

Note: There will be one note entered per debt, so if a case has two children with birth expenses, there will be two notes.

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- “Effective < **Birth Expense Effective End Date (mm/dd/yyyy)**> MD and CM arrears have been forgiven for this case (Dynamics ticket 10005771).”

Note: There will be one note entered per case because the arrears are at a case level.

9. What happens if a case cannot be processed (it “exceptions out”) when the one-time birth expense batch runs?

The MiCSES team has conducted extensive testing on the functionality to remove state-owed birth expenses from MiCSES and found that approximately 30 cases have issues that cause them not to be processed by the batch. OCS and the MiCSES team will work with the affected counties prior to the one-time batch to manually correct the issues with the 30 cases.

10. After birth expenses are forgiven on January 1, 2025, is there anything that can be done if it is discovered that birth expenses were added to the wrong debt type on a case and are therefore not forgiven/removed in MiCSES?

Yes. OCS intends to forgive all state-owed birth expense debts. If IV-D staff find a state-owed birth expense debt following the batch process (e.g., it is incorrectly coded as a debt type other than CM/MD), IV-D staff will manually remove the debt, notify the payer, and add a case note.

Report Questions

11. Once the birth expense forgiveness occurs, will FOCs get a final list of all of the affected cases?

Yes. The *Birth Expense Forgiveness Post-Implementation Report* will be provided to FOCs. This report will be available for download in the Document Distribution Center on mi-support.

12. What reports are used to support the birth expense task?

There are two reports to support the birth expense forgiveness effort:

- Business Objects report AQ10010573, *State-Owed Birth Expenses (CM/MD)*; and
- *Birth Expense Forgiveness Post-Implementation Report* (in the mi-support Document Distribution Center).

IV-D Memorandum 2024-021 discusses each of these reports and its uses.

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13. Are there any changes or updates planned for the AQ10010573, *State-Owed Birth Expenses (CM/MD) Business Objects* report?

Yes. A ticket was entered to add FEDH (FTRO) and STXH (STRO) to the AQ10010573, *State-Owed Birth Expenses (CM/MD) Business Objects* report with the November 2024 release.

The October 2024 release updated the report to:

- Add a column that lists the docket's other active obligation debt types;
- Add columns that indicate (Y/N) whether certain enforcement activities are open/active. These columns replicate what is in the *Birth Expense Forgiveness Post-Implementation Report* (IIWO IND, UNEM IND, SCBW IND, ADLV IND, LCSP IND, QDRO IND);
- Add a column to identify whether the docket has a G-Guideline, J-Judicial, and/or S-Specific IWN(s) per the *Income Withholding* (IWNS) screen;
- Add columns to identify whether the NCP has/had a suspended license (include the license type/type description, license description, suspension date, and rescission date);
- Rename the existing "AMT Max Obligation" column to "AMT CM/MD Max Obligation";
- Rename the existing "Obligation Arrears" column to "CM/MD Obligation Arrears"; and
- Add a "Total Docket Arrears Balance" column.

An intergovernmental indicator was added to the report with the Child Support 24.3 Release on September 13, 2024.

14. Will the *Birth Expense Forgiveness Post-Implementation Report* indicate what is left on the case (e.g., fees, other arrears, etc.)?

Yes. The *Birth Expense Forgiveness Post-Implementation Report* ("Case Charging" column) will identify (Y/N) whether the case has any other active debt types (except Service Fees/Processing Fees) after CM/MD are stopped/forgiven, along with a total of the arrears on those non-fee debt types. It will also include the total arrears (including fees) remaining. It will not identify which specific debt types are remaining.

15. Will the *Birth Expense Forgiveness Post-Implementation Report* give the last distribution amount like the AQ10010573, *State-Owed Birth Expenses (CM/MD) Business Objects* report?

No. The *Birth Expense Forgiveness Post-Implementation Report* will not include a last distribution amount like the AQ10010573, *State-Owed Birth Expenses (CM/MD) Business Objects* report.

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OCS strongly encourages FOCs to download and/or print the AQ10010573, *State-Owed Birth Expenses (CM/MD)* Business Objects report prior to the implementation date (January 1, 2025) so they will have this information.

16. Will the *Birth Expense Forgiveness Post-Implementation Report* tell FOCs if the member has other active cases with arrears and/or charges?

No, but this is included on the AQ10010573, *State-Owed Birth Expenses (CM/MD)* Business Objects report.

17. Will the *Birth Expense Forgiveness Post-Implementation Report* tell FOCs if there is an open license suspension chain and/or a suspension indicator on the *Member Licenses (MLIC)* screen in MiCSES?

The *Birth Expense Forgiveness Post-Implementation Report* will have an indicator for an open LCSP (license suspension) activity chain. It will not have an indicator for whether the license is actually suspended. The *Birth Expense Forgiveness Post-Implementation Report* will also include indicators for the following enforcement activities: FEDH (FTRO), STXH (STRO), IIWO, UNEM (unemployment IWN), SCBW (show cause/bench warrant), ADLV (admin lien/levy), and QDRO (qualified domestic relations orders) as well as an active Bench Warrant indicator.²

The AQ10010573, *State-Owed Birth Expenses (CM/MD)* Business Objects report has an active Bench Warrant indicator and includes other enforcement activity indicators. A ticket was entered to add FEDH (FTRO) and STXH (STRO) to the report with the November 2024 release.

18. Will the *Birth Expense Forgiveness Post-Implementation Report* have an intergovernmental flag?

No, the *Birth Expense Forgiveness Post-Implementation Report* will not have an intergovernmental flag. However, the AQ10010573, *State-Owed Birth Expenses (CM/MD)* Business Objects report does include an intergovernmental flag.

19. Is it possible to have “all” case information (e.g., intergovernmental indicator, other cases, etc.) in the *Birth Expense Forgiveness Post-Implementation Report* so FOCs can see what is left on cases?

No, not all of the requested information (data elements) will be included with the *Birth Expense Forgiveness Post-Implementation Report* since it was created as part of the Child Support 22.3 Release in September 2022. Based on feedback from the Enforcement Work Improvement Team (ENF WIT) and members of the Friend of the Court Association (FOCA), OCS has continued to refine the AQ10010573, *State-*

² The Bench Warrant indicator reflects whether the MiCSES *Bench Warrant* (BWNT) screen shows the bench warrant as being on the Law Enforcement Information Network (LEIN).

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Owed Birth Expenses (CM/MD) Business Objects report. Through various communications between now and the implementation date (January 1, 2025), OCS will strongly encourage FOCs to download and/or print a copy of the AQ10010573, *State-Owed Birth Expenses (CM/MD)* Business Objects report prior to implementation.

Miscellaneous Questions

20. Will FOCs get any warning before the forgiveness of birth expenses happens?

Yes. IV-D Memorandum 2024-021 is being published several weeks prior to the forgiveness to allow FOCs time to read the policy and take any actions as needed. Additionally, OCS staff are planning to attend the December Child Support Updates call to provide information and answer questions. OCS will also host birth expense webinars to discuss the forgiveness portion of the birth expense task.³

21. How will the court be notified of the forgiveness of birth expense arrears owed to the State of Michigan?

Each county selected their preferred method for notification to the court through a survey in the fall of 2024. If you are uncertain as to which method your office selected, ask your FOC director.

22. Do I have to hold on to any *Birth Expense Requests* (BERs) I currently have that have not been added to a case?

No, your office can maintain or dispose of BERs not attached to a case as they see fit.

23. What should I do if I receive a *Birth Expense Request* (BER) from Third-Party Liability (TPL) after IV-D Memorandum 2024-021 is published?

TPL stopped processing and mailing BERs on August 8, 2024. Any BERs received after August 8, 2024 would be in error, and IV-D staff should disregard them.

24. What should I do with orders that have reserved birth expense amounts?

Nothing. Reserved language should indicate that the State of Michigan reserves the right to petition the court when the *reasonable and necessary birth expenses are known*. The BER will no longer be completed, and therefore birth expenses will no longer be made “known” to IV-D staff.

³ The first birth expense webinar was held on August 13, 2024, and discussed the order establishment stage of a case.

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25. If my judge orders the NCP to repay Medicaid for the birth of a child after January 1, 2025, can I enter that debt in MiCSES? May I use IV-D funds to collect that debt?

No, you will not be able to add that debt in MiCSES because the CM debt type will be deactivated. You can no longer use IV-D funds to collect Medicaid-paid birth expenses.