



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

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**IV-D MEMORANDUM 2026-003**

**TO:** All IV-D Staff\*  
**FROM:** Monica S. Bowman, Interim Director  
Office of Child Support (OCS)  
**DATE:** January 8, 2026

**UPDATE(S):**

- Manual
- Form(s)

**SUBJECT:** Closure of Child-Only Medicaid IV-D Cases in Noncooperation Status

**ACTION DUE:** None

**POLICY EFFECTIVE DATE:** Upon receipt

**PURPOSE:**

This IV-D Memorandum announces a change to policy that allows IV-D staff to close child-only Medicaid IV-D cases in specific circumstances. It also explains the required procedures for closing these cases.

This memorandum:

- Defines a “child-only Medicaid” IV-D case;
- Discusses the federal case closure regulations that permit closure of child-only Medicaid IV-D cases in noncooperation;
- Describes the Michigan Child Support Enforcement System (MiCSES) case conditions that make child-only Medicaid IV-D cases in noncooperation eligible for closure; and
- Identifies the reason code IV-D staff will use to close eligible child-only Medicaid IV-D cases in noncooperation.

This IV-D Memorandum also introduces Business Objects report QN-10040793, *Child-Only MA Noncoop Cases*, which OCS implemented on April 11, 2025 with the Child Support 25.1.1 Release. OCS developed this report to help IV-D workers identify child-only Medicaid IV-D cases in which the custodial party (CP) has been in noncooperation for at least 90 days, and the case is potentially eligible for closure.

OCS will incorporate information from this memorandum into Section 3.50, “Case Closure,” of the *Michigan IV-D Child Support Manual* at a later date.

## DISCUSSION

### A. Background

Current Michigan Department of Health and Human Services (MDHHS) and OCS policies require the cooperation of a Medicaid applicant when a child(ren) receives Medicaid and one or more parents are living outside the home.<sup>1</sup> A “child-only Medicaid” case is a IV-D case in which the child(ren) receives only Medicaid, and the CP does not receive TANF<sup>2</sup> or Medicaid. When noncooperation is applied to a CP on a child-only Medicaid case, the child is **not** disqualified for Medicaid assistance.

A child-only Medicaid case is distinct from a “Medicaid-only case,” in which the CP also receives Medicaid along with the child(ren) without also receiving TANF.<sup>3</sup> [IV-D Memorandum 2025-012, Clarification on IV-D Services for Medicaid-Only Cases](#), gives further guidance on Medicaid-only cases and how they compare and contrast with child-only Medicaid cases.

Child-only Medicaid cases often enter noncooperation and remain open indefinitely until the CP cooperates or the IV-D case qualifies for closure under current Michigan IV-D policy.<sup>4</sup> OCS recognizes that many families choose not to engage with the child support program because pursuing child support services may not be in their best interest. These families may be unlikely to engage further until it is safe and beneficial for them to do so. However, these inactive IV-D cases without support orders negatively affect the Michigan Child Support Program’s statewide support order percentage in the interim.

As of January 2025, there were over 16,000 open child-only Medicaid cases in MiCSES in which the CP was in noncooperation; over 13,000 of those cases were in the support specialist functional area. These trends prompted OCS and its partners to explore ways to close child-only Medicaid cases in noncooperation status.

### B. Federal Rules for Child-Only Medicaid Cases

Section 1912(a)(1) of the Social Security Act requires individuals who apply for Medicaid for themselves and their children to cooperate with the state child support

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<sup>1</sup> [Bridges Eligibility Manual, BEM 255, Child Support](#); and [Section 2.15, “Cooperation/Noncooperation/Good Cause,” of the Michigan IV-D Child Support Manual](#).

<sup>2</sup> Temporary Assistance for Needy Families (TANF) is called Family Independence Program (FIP) in Michigan.

<sup>3</sup> When noncooperation is applied to a CP for a case in which the CP and dependents receive Medicaid, the CP is disqualified for Medicaid unless she is pregnant or less than two months postpartum. Regardless, the CP’s child(ren) is not disqualified.

<sup>4</sup> Ref: [Section 3.50, “Case Closure,” of the Michigan IV-D Child Support Manual](#).

agency to establish paternity, obtain medical support, and assist the state in identifying any third party who may be liable to pay for health care and services.<sup>5</sup> The same law requires Medicaid applicants to execute an assignment of their and their child(ren)'s rights to medical support and payment for medical care from any third party.<sup>6</sup>

A related law, Section 1902(a)(25) of the Social Security Act,<sup>7</sup> requires states to:

- Take reasonable measures to collect information on third parties who may be liable for medical care and services provided to a Medicaid recipient;<sup>8</sup> and
- Have laws that require the Medicaid recipient to assign to the state his/her right to payments from third parties, regardless of whether (s)he executed an assignment of rights under Section 1912(a)(1).<sup>9</sup>

When an individual applies for Medicaid on behalf of a child *only*, the Section 1912 requirements to cooperate with the child support program and execute an assignment of rights do not apply.<sup>10</sup> However, the Section 1902 requirements continue to apply, and Michigan law automatically assigns Medicaid recipients' rights to medical support to the state.<sup>11</sup>

In other words, federal law does not require a CP in a child-only Medicaid case to cooperate with the child support program or execute an assignment of rights to medical support. Regardless, as federal law requires, Michigan law automatically assigns the CP's rights to medical support.

OCS confirmed this interpretation of federal rules on child-only Medicaid cases with the MDHHS Medicaid Program Policy Division.

### **C. Child-Only Medicaid Referrals and Case Processing**

The Michigan Child Support Program will continue to receive referrals of child-only Medicaid cases from Bridges. IV-D staff will continue to process these cases according to existing IV-D policy<sup>12</sup> when:

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<sup>5</sup> Section 1912(a)(1) of the Social Security Act, codified as 42 United States Code (USC) 1396k(a)(1)

<sup>6</sup> The applicant must also assign the rights of any other person eligible for Medicaid on whose behalf the applicant has the legal authority to execute an assignment of such rights. Ref: Section 1912(a)(1)(A) of the Act.

<sup>7</sup> Section 1902(a)(25) of the Social Security Act, codified as 42 USC 1396a(a25)

<sup>8</sup> This federal law requiring states to pursue third parties is beyond a *parent's* legal obligation to provide health care coverage or pay medical bills. This third-party liability law encompasses any legal responsibilities that entities or others may have for the payment of health care claims for individuals receiving Medicaid.

<sup>9</sup> In Michigan, this law is Michigan Compiled Laws (MCL) 400.106.

<sup>10</sup> [Health Care Financing Administration Center for Medicaid and State Operations Dear Colleague Letter \(DCL\)-00-122, Health Care Financing Administration \(HCFA\) Letter to State Medicaid Directors](#)

<sup>11</sup> MCL 400.106(1)(b)(ii)

<sup>12</sup> Ref: [Section 2.20, "Court Action Referrals \(CARs\)," of the Michigan IV-D Child Support Manual.](#)

- There is no existing order for the family, and the CP cooperates with the IV-D program; and
- There is an existing order for the family. In this situation, the CP is not required to cooperate with the IV-D program, but the assignment of medical support under the existing order applies.

However, when there is no order for the family and the CP does not cooperate with the IV-D program, IV-D staff may close the case after it has been in noncooperation status for 90 days if the case meets all eligibility criteria in Section E(1) of this memorandum. A 90-day timeframe will allow the CP enough time to have received and responded to multiple notices from the IV-D program seeking the CP's engagement. IV-D staff will refer to Section D below for further guidance.

#### **D. Case Closure Regulations and Child-Only Medicaid Cases in Noncooperation**

Child support agencies may close IV-D cases only for reasons allowed under federal regulations.<sup>13</sup> The following federal regulation allows IV-D agencies to close child-only Medicaid cases in noncooperation:

45 CFR 303.11(b)(16), which allows closure of a non-IV-A case “when cooperation with the IV-D agency is not required of the recipient of services, the IV-D agency documents the circumstances of the recipient’s noncooperation and an action by the recipient of services is essential for the next step in providing IV-D services.”

Under this regulation, IV-D agencies may also close a IV-D case that has “become” a child-only Medicaid case. A IV-D case becomes child-only Medicaid when:

- There is no current or former IV-A assistance relevance;
- The IV-D agency has documented the CP's noncooperation; and
- Due to sanctions resulting from the CP's noncooperation, the only assistance relevance remaining on the IV-D case is Medicaid for the child(ren) on the IV-D case.<sup>14</sup>

Child-only Medicaid cases may qualify for closure under other regulations; however, the above-mentioned regulation allows IV-D agencies the flexibility to close child-only Medicaid cases in noncooperation that would otherwise not qualify for closure.

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<sup>13</sup> Federal [Office of Child Support Enforcement \(OCSE\) Information Memorandum \(IM\)-14-01, Medicaid Referrals to the IV-D Agency](#). IV-D case closure regulations are codified in 45 Code of Federal Regulations (CFR) 303.11.

<sup>14</sup> 73 Federal Register (FR) 42421: “Once the custodial parent is denied receipt of Medicaid, the case would be considered a “child-only, Medicaid-only” case and could be closed under § 303.11(a)(11) because of the documented noncooperation and sanction.”

## E. IV-D Staff Closure of Child-Only Medicaid Cases in Noncooperation Status

### 1. Eligibility Criteria

IV-D staff may manually close child-only Medicaid cases in noncooperation status that meet the criteria below.

A child-only Medicaid case in noncooperation is eligible for closure when:

- The MiCSES *Case Member Details* (CASE) screen indicates the CP has been in noncooperation status for at least 90 days;<sup>15</sup>
- The IV-D case does not have an open docket on the MiCSES *Support Order Entry* (SORD) screen;<sup>16</sup>
- The IV-D case does not have any open establishment activities on the MiCSES *Legal Processor* (LPRO) screen;<sup>17</sup>
- The IV-D case has no history of FIP on the MiCSES *Member Assistance History* (MAHI) screen;<sup>18</sup> and
- The only active assistance relevance is Medicaid for a dependent(s) as indicated on the MiCSES MAHI screen.

When closing a child-only Medicaid case without an order that meets the criteria above, IV-D staff will use the reason code “NS – No Viable IV-D Services.” For now, system limitations prevent IV-D staff from using the MiCSES case closure reason code that more directly aligns with 45 CFR 303.11(b)(16).<sup>19</sup>

When IV-D staff close the IV-D case using the reason code “NS – No Viable IV-D Services,” MiCSES will send the CP and non-custodial parent a 60-day notice stating they may request that their case remain open. IV-D staff who receive a request to keep the case open during the 60-day window will remove the IV-D case from its pending closure status. However, the CP will still be required to satisfy existing cooperation requirements to receive child support services.

### 2. Identifying Child-Only Medicaid Cases in Noncooperation Eligible for Closure

OCS has developed the Business Objects report QN-10040793, *Child-Only MA Noncoop Cases*,<sup>20</sup> to help IV-D staff identify child-only Medicaid cases in

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<sup>15</sup> Ref: [MiCSES Screen Description: CASE – Case Member Details](#) for more information.

<sup>16</sup> Ref: [MiCSES Screen Description: SORD – Support Order Entry](#) for more information.

<sup>17</sup> An example of an open establishment activity is a pending court action. Ref: [MiCSES Screen Description: LPRO – Legal Processor](#) for more information.

<sup>18</sup> Ref: [MiCSES Screen Description: MAHI – Member Assistance History](#) for more information.

<sup>19</sup> The “N9 – Applicant Action Needed, Cooperation Not Required” reason code corresponds to 45 CFR 303.11(b)(16). Future enhancements to MiCSES case closure functionality may permit use of this reason code to close child-only Medicaid cases in noncooperation.

<sup>20</sup> This report can be found in Business Objects under Corporate Categories > CSES Reports, in both the Establishment Management Reporting and Support Specialist Reporting categories.

noncooperation that meet the above criteria for closure. The report includes the following data elements:

- IV-D case ID number;
- CP’s first and last name;
- Case county;
- Functional area;
- Date on which noncooperation was applied to the CP on the IV-D case; and
- CAR status (if a court action referral [CAR] exists).

The QN-10040793 is an optional report for IV-D offices that wish to close inactive child-only Medicaid cases in noncooperation. IV-D staff are not required to run and review the report, nor to close qualifying child-only Medicaid cases.

Before closing a IV-D case that appears on the QN-10040793, IV-D staff must verify in MiCSES that the case meets the conditions discussed in Section E(1) of this memorandum. IV-D staff will close only those IV-D cases currently assigned to their office and functional area.

**F. “Closed Case Exceptions” on Child-Only Medicaid Cases**

Support specialists will likely see an increase in MiCSES “closed case exceptions” once IV-D staff begin closing child-only Medicaid cases. When MiCSES creates a closed case exception<sup>21</sup> on a closed child-only Medicaid IV-D case due to a new referral for current or future assistance, support specialists<sup>22</sup> will reopen the IV-D case or leave it closed depending on the type(s) of assistance in the new referral:

IV-D Referral Scenario	Required Action for Support Specialists
There is no new assistance (i.e., IV-D case remains child-only Medicaid).	Leave the IV-D case closed.
The only new assistance is FAP and/or CDC. <sup>23</sup>	Leave the IV-D case closed.
The new assistance includes FIP and/or referable Medicaid for an adult member on the IV-D case.	Reopen the IV-D case.

<sup>21</sup> Ref: [Section 2.05, “Referrals and Applications,” of the Michigan IV-D Child Support Manual](#) for more information on closed case exceptions.

<sup>22</sup> IV-D staff with the MiCSES role of SS, SS Supervisor, SS Admin, or RESR Resolver can resolve closed case exceptions. Ref: [MiCSES Quick Reference Guide: RESR – Resolve a Closed Case Exception](#) for more information.

<sup>23</sup> FAP is the Food Assistance Program; CDC is Child Development and Care.

## **G. Future Business Process Development for Child-Only Medicaid IV-D Cases**

OCS will continue to evaluate new business processes for child-only Medicaid IV-D cases. If MDHHS were to develop a new IV-D intake process for child-only Medicaid referrals, it would require further collaboration between OCS and other MDHHS programs and would likely entail significant system enhancements to MiCSES and/or Bridges. OCS will keep IV-D staff informed of any new developments.

### **NECESSARY ACTION:**

Retain this IV-D Memorandum until further notice.

### **REVIEW PARTICIPANTS:**

Case Management Work Improvement Team  
Program Leadership Group

### **CONTACT PERSON:**

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### **CC:**

MDHHS Medicaid Program Policy Division  
MDHHS Third-Party Liability Division

### **SUPPORTING REFERENCES:**

Federal  
42 USC 1396a(a25)  
42 USC 1396k(a)(1)  
45 CFR 303.11(b)(16)  
73 FR 42421

HCFA Center for Medicaid and State Operations DCL-00-122

OCSE IM-14-01

State  
MCL 400.106(1)(b)(ii)

**ATTACHMENT(S):**

None

**MSB/CAB**

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\* Ref: the [Michigan IV-D Child Support Manual Introduction and Table of Contents](#) for a definition of IV-D staff.