



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

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IV-D MEMORANDUM 2015-021

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 18, 2015

SUBJECT: Self-Assessment (SASS) Audit – Establishment of Paternity and Support Order (Establishment) Program Compliance Criterion Corrective Action Plan (CAP)

UPDATE(S):

Manual

Form(s)

RESPONSE DUE: None

POLICY EFFECTIVE DATE: Upon receipt

PURPOSE:

This IV-D Memorandum provides information related to the fiscal year (FY) 2014 SASS audit and findings and local office CAPs from FY 2013. This includes:

- A brief overview of the SASS audit process;
- An explanation of the SASS audit findings;
- The Establishment program compliance criterion findings;
- The Establishment program compliance criterion regulations and rules;
- An overview of Michigan’s Establishment program compliance CAP;
- Notification to the PA and FOC offices that OCS is terminating local office CAPs; and
- An explanation of the required actions for all FOC, PA and OCS offices.

OCS published information about FY 2013 SASS audit findings, Establishment program compliance criterion findings, and Michigan’s Establishment CAP in IV-D Memorandum 2014-014 on June 16, 2014. Significant changes since the publication of IV-D Memorandum 2014-014 are indicated by a change bar in the right margin of this memorandum.

DISCUSSION:

A. SASS Audit ¹

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).

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 2014, 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.

¹ Ref: Subsection 454(15) of the Social Security Act and 45 Code of Federal Regulations (CFR) 308.2.

Program Compliance Criterion	Sample Size	Compliance Rate	Federal Benchmark	*Margin of Error
Case closure	348	96.84%	90%	+/- 1.62%
Disbursements	1,065	99.70%	75%	+/- .32%
Expedited processes – 6 or 12 months	210	83.33% / 98.57%	75% / 90%	+/- 4.25% / 1.60%
Establishment	412	57.04%	75%	+/- 4.0%
Review and adjustment	450	99.10%	75%	+/- .84%
Enforcement	372	96.24%	75%	+/- 1.68%
Medical	395	97.70%	75%	+/- 1.31%
Intergovernmental	336	88.90%	75%	+/- 2.83%

***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.² A state will be subject to a financial penalty under Title IV-A of the Social Security Act if 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.³ Consequently, Michigan must act aggressively to resolve any audit findings.

C. Establishment Criterion – FY 2014 Findings

To determine whether Michigan met the federal regulations and timeframes for the Establishment criterion, the SASS team reviewed 412 statewide sample cases with court orders established in FY 2014. Michigan’s compliance rate was 57.04 percent for the 412 Establishment sample cases, with a +/- 4.0 percent margin of error, based on a 90 percent confidence level. This is a 2.41 percent increase over the FY 2013 compliance rate of 54.63 percent. Although this compliance rate is slightly higher than the previous year’s compliance rate, it is still well below the federal benchmark.

² Ref: Subsection 454(15) of the Social Security Act and 45 CFR 305.60.

³ Ref: 45 CFR 305.61.

As a result, OCS developed a CAP to address Michigan's non-compliance with the Establishment criterion in FY 2014. OCS will continue to submit quarterly CAP updates to OCSE and monitor the progress of the program's corrective actions until Michigan meets the federal benchmark of 75 percent or better.

Note: This is the second consecutive CAP that OCS has developed to address non-compliance with the Establishment criterion. OCS implemented a CAP for failing to meet the federal benchmark for the Establishment criterion in FY 2013.

D. Establishment Criterion – Federal Regulations and Timeframes⁴

There are three federal Establishment criterion 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.⁵ 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:
 - a. A request for IV-D services (application), such as:
 - 1) The *IV-D Child Support Services Application/Referral* (DHS-1201);
 - 2) The online version of the *IV-D Child Support Services Application/Referral* (e1201); or
 - 3) A comparable document developed by the FOC; or
 - b. A public assistance referral.⁶

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 or through the e1201.

Analysis of the FY 2014 SASS data determined that 39 percent of Michigan's failed Establishment criterion was due to staff errors in the MiCSES *App Retd DT* field on the *Case Member Details* (CASE) screen or because the case open date did not meet the required 20-day timeframe. Many of these errors occurred at FOC offices while opening divorce or custody cases.⁷ To prevent future errors

⁴ Ref: Subsection 454(15) of the Social Security Act and 45 CFR 308.2.

⁵ The three Establishment timeframes, along with MiCSES screens and fields used in the SASS Establishment case review process, are detailed in [Exhibit 2015-021E1: Michigan Office of Child Support: Self-Assessment Audit – Establishment Criterion](#).

⁶ 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](#).

⁷ The PLG chartered a "IV-D Services in Domestic Relations Cases" Workgroup in 2015 to discuss ways to ensure that domestic relations cases are opened as IV-D cases in a timely manner. Recommendations from this group are pending.

related to the use of the MiCSES *App Retd DT* field, IV-D staff must properly record application dates on the CASE screen when they receive a IV-D application.

IV-D staff must open the IV-D case within 20 calendar days of receipt of an application. The date the IV-D agency **received** (date-stamped)⁸ the application must be entered in the *App Retd DT* field on the CASE screen in MiCSES. IV-D staff must also complete the *App Req DT* and *App Sent DT* fields on the CASE screen. IV-D workers' proper entry of these dates directly affects SASS audit findings for the Michigan IV-D program.⁹ When a IV-D application is received, IV-D staff must open the IV-D case within 20 days and not wait to open it until a court order has been obtained and entered on MiCSES.

Section 2.05 of the *Michigan IV-D Child Support Manual* provides guidelines for properly recording application dates on the CASE screen in the following scenarios:

- Applications received for existing IV-D cases – no public assistance;
- Applications received for existing IV-D cases – previous or current public assistance;
- IV-D application adds a new case member;
- Custody switch between a custodial party (CP) and non-custodial parent (NCP);
- The court places a child(ren) with a third-party custodian;
- Reopening closed IV-D cases;
- Error in recording dates in the *App Retd DT* field;
- Correcting high dates (12/31/9999); and
- Opening a non-IV-D case (“L” case type).

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 a change in the locate status of the NCP; 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.¹⁰

During the SASS audit, reviewers determined that Michigan IV-D staff failed the locate rule in 9 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 MiCSES.

⁸ The “date-stamp” is the date that the IV-D office stamps the document as received in its office – not the date the application was mailed, postmarked or signed.

⁹ Ref: Section 2.05 of the *Michigan IV-D Child Support Manual* for more information.

¹⁰ Ref: [Combined IV-D Policy Manual, 4DM 200, Regulatory and Statutory Location Requirements.](#)

3. **90-day SOP timeframe:** IV-D staff must establish a support order or complete SOP necessary to begin proceedings within 90 days of specific case events as identified in OCS policy (e.g., NCP located, case opened).¹¹ The Federal Expiration Date within MiCSES is designed to calculate this 90-day period. If staff are unable to complete SOP or establish an order within 90 days, federal regulations require that the state establish guidelines defining diligent efforts to serve process. Consequently, IV-D staff must document in MiCSES a minimum of three unsuccessful SOP attempts if SOP is not completed prior to the Federal Expiration Date.

A IV-D qualifying summons extension also meets the definition of SOP due diligence for the federal timeframe.¹² The summons extension must meet IV-D qualifying criteria in order to satisfy the federal SOP requirement.

IV-D staff must record all SOP attempts, successful service dates, and IV-D qualifying summons extensions on the *Service of Process* (LSOP) screen. IV-D staff must provide additional notes about SOP and any IV-D qualifying summons extensions on the *Notes Processor* (NOTE) screen.

The federal requirement for SOP is in conflict with Michigan Court Rules that specify 91 days from the date the complaint was filed with the court. For SASS audit purposes, IV-D staff must track timeframes according to the **90-day federal regulation**.

SASS reviewers determined SOP was not completed timely for 52 percent of the Establishment case reads in FY 2014. Some of the Establishment case reads for SOP indicated IV-D staff made SOP attempts a few days beyond the 90-day timeframe, 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 used the LSOP screen to enter the SOP attempt dates and successful service dates.

It is important that IV-D staff read Section 2.20 of the *Michigan IV-D Child Support Manual* for further information regarding CARs, due diligence and SOP.

E. Michigan's Establishment CAP

In 2014, OCS implemented an Establishment CAP because Michigan failed to meet the federal benchmark for the Establishment criterion in FY 2013. Now, OCS must submit a new CAP to the federal OCSE on a quarterly basis due to non-compliance

¹¹ Upcoming policy and system changes will expand the events that trigger the 90-day period. Future communications will explain those changes.

¹² Ref: [Section 2.20, "Court Action Referrals \(CARs\)," of the Michigan IV-D Child Support Manual](#) for more information about when a summons extension is considered a qualifying IV-D summons extension.

with the Establishment criterion in FY 2014. The CAP will continue until Michigan has increased its Establishment criterion 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:

- Develops targeted outreach;
- Suggests changes in MiCSES design;
- Recommends changes to IV-D policy and procedures;
- Identifies training needs;
- Develops reports for ongoing improvements; and
- Provides for monitoring of IV-D policy and procedures.

For counties with Establishment findings for FY 2013, a local office CAP was required. However, local office CAPs will not be required for FY 2014 since statewide efforts are underway to correct the conditions that led to these findings. PA and FOC offices with errors in FY 2014 will be notified of the findings associated to their county office.

Note: OCS will complete additional SASS case reviews in FY 2015 to determine further compliance for offices. OCS, in consultation with the PLG, may determine the need for future local office CAPs, at which time each affected office will be individually notified.

The issuance of this IV-D Memorandum will serve as part of the statewide CAP, and IV-D staff must ensure state and local office practices comply with this memorandum.

1. Communicating the Audit Findings and CAP

OCS staff will be involved in many outreach efforts to share information about the audit findings and statewide CAP, including:

a. Presentations at:

- 1) The Friend of the Court Association conference;
- 2) The Prosecuting Attorneys Association of Michigan conference;
- 3) OCS staff meetings; and
- 4) The Michigan Family Support Council (MFSC) conferences.

b. Meeting with Work Improvement Teams (WITs) and the Performance Management Workgroup to discuss the CAP.

2. CAP Activities

a. CAP for the 20-day case open timeframe

- 1) County FOC, PA and state directors¹³ must ensure IV-D staff complete the following within the required timeframes as outlined in IV-D policy and within this memorandum:
 - a) Accurately enter an application when there is no public assistance referral;
 - b) Open a non-IV-D case in MiCSES when there is no application or public assistance referral; and
 - c) Convert the non-IV-D case to a IV-D case when an application is received.
- 2) Local offices with FY 2013 Establishment findings and a local office CAP will close their local office CAPs. A local office CAP will not be required for FY 2014 for the 20-day case open errors since other statewide efforts are underway to correct this issue. However, if deemed necessary, OCS may establish local office CAPs in the future;
- 3) FOC and OCS offices will clean up all non-assistance IV-D cases opened with a blank *App Retd DT* field in MiCSES. Cases with a blank field may result in a failure of the SASS audit;
- 4) OCS has identified non-assistance cases with values in the *App Retd DT* field on MiCSES that do not meet the federal 20-day case opening requirement. OCS recommends FOC and OCS offices review these cases to confirm IV-D staff entered a correct application return date in MiCSES. OCS will provide detailed instructions for addressing this issue in a future email notification;
- 5) The OCS Case Management team established a dedicated team of support specialists to process paper DHS-1201 applications;
- 6) The OCS Case Management team will review quality assurance in OCS's application processing area;
- 7) 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;
- 8) MiCSES staff revised the system to include a note on the NOTE screen for public assistance cases, indicating when the case was opened;

¹³ In this memorandum, the county PA office director is the family division chief.

- 9) OCS launched an online DHS-1201 application (e-1201) that uploads the application return date into MiCSES, and OCS encourages use of the online application over the paper application;
- 10) OCS staff revised *Michigan IV-D Child Support Manual* Section 2.05 with the new e1201 information, along with instructions for entering a paper application on MiCSES;
- 11) OCS staff improved processing timeframes for applications and eliminated the backlog of applications;
- 12) OCS Training Section staff will develop additional training and job aids for FOC and OCS staff on opening non-assistance cases;
- 13) The PLG chartered a workgroup to discuss policy for opening domestic relations cases in a timely manner; and
- 14) Data Warehouse staff will develop reports in Business Objects to monitor the 20-day case open timeframe.

b. CAP for the 90-day SOP timeframe

- 1) PA office staff participated in discussions and training for the 90-day SOP timeframe at quarterly meetings in 2014 and 2015;
- 2) Local IV-D office directors must ensure Establishment staff complete SOP attempts within the required timeframes and enter all SOP attempts in MiCSES as outlined in IV-D policy and within this memorandum;
- 3) OCS will send each PA or FOC office with Establishment errors in FY 2014 a list of the cases with errors to help them identify local office business processes that can be modified to prevent future errors;
- 4) PA and FOC offices with FY 2013 local office CAPs will close their local office CAPs;
- 5) MiCSES staff edited screen functionality to require mandatory completion of SOP attempts during the court order entry process;
- 6) OCS Training Section staff revised new PA worker training, created advanced PA worker training to include information on the federal regulations regarding the Establishment criterion, and created a webcast about modifying SOP; and
- 7) Data Warehouse will develop report enhancements that will support SOP monitoring.

Much progress has been made on the FY 2013 and FY 2014 Establishment CAPs. OCS will continue to implement the actions in the FY 2014 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 criterion.

F. Local Office Actions to Improve the Establishment Criterion

The “IV-D Services in Domestic Relations Cases” Workgroup and the PLG both agreed that certain activities should be required in an effort to improve Michigan’s performance in the Establishment criterion. Later in August 2015, OCS will compile a list of the cases that require corrective action and send it to all FOC offices identified as having non-public assistance IV-D cases opened without a date populated in the *App Retd DT* field in MiCSES. FOC staff will review the affected IV-D case(s) and enter the date their office received a request for IV-D services.¹⁴ FOC staff must complete the case review by **October 26, 2015** to meet federal benchmark requirements for the FY 2015 SASS audit. Additionally, FOC office leadership are encouraged to align ongoing business practices with the federal regulations and OCS policy.

OCS will send all PA offices a list of open CARs with SOP due within FY 2015. PA staff are encouraged to identify cases in which the SOP timeframe was not met and align business practices to meet the federal regulations and policy.¹⁵

As part of the FY 2013 CAP, OCS worked with its partners to develop Establishment Management Reports.¹⁶ IV-D staff can use these reports to improve individual office performance.¹⁷ OCS’s Planning and Evaluation Team will develop a method to identify county offices that may be struggling to meet the federal benchmarks.

NECESSARY ACTION:

Initiate and complete corrective actions to improve performance in the Establishment criterion. Retain this IV-D Memorandum until further notice.

This IV-D Memorandum replaces and obsoletes IV-D Memorandum 2014-014, *Self-Assessment (SASS) Audit – Establishment of Paternity and Support Order (Establishment) Program Compliance Criteria Corrective Action Plan (CAP) and Exhibit 2014-014E2*. Exhibit 2015-021E1 replaces and obsoletes Exhibit 2014-014E1.

¹⁴ OCS will send the list to all FOC offices through the Document Distribution Center on mi-support.

¹⁵ OCS will notify all PA offices when an updated list is available through the Document Distribution Center.

¹⁶ The following Establishment Management Reports will be available on mi-support later in August 2015: ES-001, *EST Management Summary*; ES-101, *CAR Management Details*; ES-201, *Initial CAR Details*; ES-202, *Service of Process Details*; ES-203, *Expedited Court Order Details*; and ES-204, *Federal Locate Details*.

¹⁷ In July 2015, OCS representatives attended a meeting of IV-D PA staff to discuss the SASS audit, appropriate CAP strategies, and these upcoming reports.

REVIEW PARTICIPANTS:

Performance Management Workgroup
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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

ATTACHMENT:

2015-021E1: Michigan Office of Child Support: Self-Assessment Audit –
Establishment Criterion

EPF/EBH