IV-D MEMORANDUM 2017-009

TO: All Friend of the Court (FOC) Staff
    All Office of Child Support (OCS) Staff
FROM: Erin P. Frisch, Director
       Office of Child Support
DATE: April 11, 2017

SUBJECT: Discontinued Use of the Support Collection Payment Request (DHS-820) for Medical Support and Birth Expense Refunds

ACTION DUE: Discontinue use of the DHS-820 for medical support and birth expense refunds on Tuesday, April 18, 2017.

POLICY EFFECTIVE DATE: April 18, 2017

PURPOSE:

This IV-D Memorandum announces the discontinuance of the use of the Support Collection Payment Request (DHS-820) as of Tuesday, April 18, 2017, for medical support and birth expense refunds due to the upcoming automated Medicaid negative offset process.

The automated Medicaid negative offset process will be introduced with the Michigan Child Support Enforcement System (MiCSES) 9.5 Release on June 2, 2017.

DISCUSSION:

Automation of the Medicaid Negative Offset Process

The Medicaid negative offset process is the method of recouping funds that were issued erroneously to the Medicaid program. The Michigan Department of Health and Human Services (MDHHS) Third Party Liability (TPL) Division handles the processing of recouped funds. Currently, IV-D staff request refunds of overpayments manually by sending the completed DHS-820 to TPL, and waiting approximately four to six weeks for the refunded payment.
With the MiCSES 9.5 Release, MiCSES will automatically recoup overpaid funds from TPL when a decertification of support\(^1\) occurs and MiCSES recognizes that TPL received a payment(s) during the time period when the member’s medical support was misassigned.

MiCSES will also automatically recoup overpaid funds from TPL when:

- IV-D staff make a manual negative offset adjustment to a medical support or birth expense balance in order to recoup an overpayment to Medicaid;
- IV-D staff manually back out a receipt with an erroneous disbursement to Medicaid; and
- MiCSES performs a negative tax refund offset adjustment, and MiCSES already disbursed the affected tax refund offset receipt to TPL.

**Discontinued Use of the DHS-820 for Medical Support and Birth Expense Refunds**

Due to the upcoming automation of medical support and birth expense refund processing in MiCSES, IV-D staff must stop submitting DHS-820 forms for medical support and birth expense refunds on **Tuesday, April 18, 2017.**\(^2\) This will allow TPL staff sufficient time to process each form submitted prior to this date. TPL will return any forms dated after April 18, 2017, to the FOC office.

If IV-D staff have a case requiring a medical support or birth expense refund after April 18, 2017, OCS recommends that IV-D staff wait until after the MiCSES 9.5 Release to take manual action on the recoupment. IV-D staff may choose to manually update the member’s assistance record on the Member Assistance History (MAHI) screen in MiCSES prior to the 9.5 Release to prevent payments from disbursing incorrectly. However, IV-D staff will still have to take manual actions after the release in order for MiCSES to perform the actual recoupment of funds from TPL.

**Additional Resources**

More information regarding the automated Medicaid negative offset process will be provided prior to the MiCSES 9.5 Release through:

- Another IV-D Memorandum and updates to Section 5.40 of the *Michigan IV-D Child Support Manual*;
- Training documents; and
- Technical Communications Team documentation.

\(^1\) Decertification of support occurs when a person is no longer receiving assistance.

NECESSARY ACTION:

Retain this IV-D Memorandum until further notice.

REVIEW PARTICIPANTS:

Program Leadership Group
Financial Work Improvement Team (WIT)

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None

EPF/KAP