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TO: **Income Maintenance Supervisors**
Income Maintenance Lead Workers
Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators

FROM: Amy Mendel-Clemens
Technical Assistance and Training Section
Bureau of Enrollment Management
Division of Health Care Access and
Accountability

BEM/DFS OPERATIONS MEMO

No: 08-26 **Corrected**

DATE: 6/4/2008

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| FS | <input checked="" type="checkbox"/> | MA | <input checked="" type="checkbox"/> | BC+ | <input checked="" type="checkbox"/> |
| SC | <input type="checkbox"/> | CTS | <input type="checkbox"/> | FSET | <input type="checkbox"/> |
| CC | <input type="checkbox"/> | W-2 | <input type="checkbox"/> | EA | <input type="checkbox"/> |
| CF | <input type="checkbox"/> | JAL | <input type="checkbox"/> | JC | <input type="checkbox"/> |
| RAP | <input type="checkbox"/> | WIA | <input type="checkbox"/> | Other | <input type="checkbox"/> |
| | | | | EP | |

PRIORITY: HIGH

SUBJECT: CHILD SUPPORT EXPENSE DEDUCTION

CROSS REFERENCE: 7CFR273.9(d)(5)
Additional References
FoodShare HB 4.6.5.1
Medicaid HB 15.7.2.1.1
BadgerCare Plus HB 16.3.1

EFFECTIVE DATE: June 18, 2008

PURPOSE:

To explain the new FoodShare (FS) policy and procedures for determining the allowable child support deduction, and to compare it with current Medicaid and BadgerCare Plus policy. For FS, the allowable deduction has changed from the amount of child support actually paid to the court ordered obligated amount. The change is intended to reduce workload, improve customer service, increase payment accuracy, and align the Medicaid/BadgerCare Plus and FoodShare programs to the fullest extent possible.

PREVIOUS FS POLICY:

Currently, FS Policy (4.6.5.1) allows the amount of child support a FS group member pays as a deduction from the household's income. The deduction amount can be calculated by either averaging the child support actually paid in the previous six months or by using the actual payment amounts during the current certification period.

FS POLICY CHANGE

Effective **06/18/08**, the current, court ordered child support obligation amount will be allowed as a FS deduction. This information is obtainable through court records and/or the KIDS system. (Process Help Chapter 62) This change is consistent with the current FS policy for other deductions such as rent and utilities: the amount an individual is obligated to pay is allowed as a deduction, without consideration for actual payments made. **Update ongoing cases at their next review (recertification), SMRF or reported change to reflect the new policy. Apply the new policy to all new FS applications that have someone claiming that expense.**

Arrears can be used as a deduction if the arrears payments are included in the current court order.

A child support deduction can still be claimed by FS applicants and members who make regular child support payments but do not have a court order in place. In these cases, determine a deduction amount using verification such as:

- Cancelled checks;
- Written documentation between the two parties agreeing to the arrangement;
- Bank statements;
- Check stubs

Example: Mike has an agreement with Terri for their child in common to pay \$250 a month for child support. Obtain a statement from Mike and Terri regarding their payment arrangement or use other documentation to establish proof of the deduction.

Note: *Lying-in Costs for FS:*

Lying in costs are not allowed for FS even if court ordered.

CURRENT MEDICAID AND BADGERCARE PLUS POLICY:**Medicaid Court-Ordered ([MEH 15.7.2.1.1](#))**

The income deduction for monthly court ordered support expenses is the amount that the member is "obligated" to pay as stipulated in the court order. Payments for arrearages and annual receipt and disbursement (R & D) expenses are not allowed.

Medicaid Non- Court-Ordered ([MEH 15.7.2.1.2](#))

Non-court ordered support payments are included only if they are paid to an institutionalized spouse or a minor child who is living with a non-legally responsible relative (NLRR). There is a maximum deduction amount — the AFDC cat needy income limit for a group size of one, plus the child's medical expenses, minus the child's net income.

Non-court ordered payments are not deducted if they are paid to a spouse or minor child who receives SSI, or a spouse who is eligible for SSI but refuses to apply for it.

BadgerCare Plus Policy ([BCP 16.3.1](#))

The income deduction for a monthly court ordered support expense is the amount that the member is "obligated" to pay as stipulated in the court order. The court ordered obligated amount is allowed even if actual payments are not being made. The deduction can only be made from the income of the person with the court ordered obligation. Payments for arrearages and annual R & D expenses are not allowable deductions.

Lying-in Costs for Medicaid:

If the court order stipulates that the individual must pay a monthly amount toward lying in costs, the court ordered monthly amount (obligated amount) is allowed as an income deduction for Medicaid. If the member is required to pay lying in costs, but no specific monthly amount is ordered, actual payments for lying in costs are allowed as an income deduction.

CARES

There are still two fields in CWW that require separate entries for FS and MA because some program policy differences remain.

Enter expenses that are allowable deductions for FS in the "Payment Amount" field on the Support Obligations/Payments page in CWW. CARES allows the amount entered in this field as a FS deduction.

Enter expenses that are allowable for Medicaid and BC+ in the "Obligation Amount" field on the Support Obligations/Payments page in CWW. CARES allows the amount entered in this field as a Medicaid/BC+ deduction.

ATTACHMENT: Program Policy Comparison Chart

CONTACTS

BEM CARES Information & Problem Resolution Center

★Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHFS/DHCF/BEM/JP