

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



July 2, 2010

EBLAST

TO: IV-D DIRECTORS

SUBJECT: MEDICARE REBATES ARE EXEMPT FROM FEDERAL OFFSET

The purpose of this EBLAST is to provide clarification regarding whether one-time Medicare Rebates being issued by the federal government to beneficiaries aged 65 and over can be collected from noncustodial parties who owe child support arrears.

There is no known legal prohibition against collection of these payments; however, in response to recent inquiries from states seeking clarification on the issue the federal Office of Child Support Enforcement (OCSE) announced on June 29, 2010 that the Medicare Rebates are exempt from federal Administrative Offset. The federal system does not have the capability to offset these payments.

Although Local Child Support Agencies (LCSA) may explore other enforcement remedies to collect these payments, the Department could not readily identify any remedy that would not be labor and time intensive or ensure recoupment of the funds.

It is the Department's position that absent an offset, efforts to recoup these payments are not cost-effective.

If you have any questions or concerns regarding this matter, please contact Rick Bermudez at (916) 464-5883.

Sincerely,

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BILL OTTERBECK
Deputy Director