

SENATE BILL REPORT

SHB 1380

As of January 14, 1998

Title: An act relating to child support health care expenses.

Brief Description: Changing the allocation of child support health care expenses between parents.

Sponsors: House Committee on Law & Justice (originally sponsored by Representatives Lambert, Wolfe, Sheahan, Mitchell, Dunshee, Mason and Scott).

Brief History:

Committee Activity: Law & Justice: 4/2/97; 1/16/98.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Aldo Melchiori (786-7439)

Background: A court establishes a parent's presumptive basic child support obligation—by using an economic table located in Washington's child support schedule. The table takes into consideration the combined monthly net income of both parents, the number of children, and the children's ages. Each parent's share of the basic child support obligation is based on each parent's share of the combined monthly net income.

Ordinary health care expenses are included in the economic table. The table assumes that 5 percent of the monthly amount of support due is spent on ordinary health care expenses. Monthly health care expenses that exceed 5 percent of the basic child support obligation are considered extraordinary health care expenses. Extraordinary health care expenses are not included in the presumptive basic child support amount, and must be shared by the parents in the same proportion as the basic child support obligation.

The term health care expenses— is not defined in statute or case law.

Summary of Bill: Ordinary health care expenses are calculated on an annual, calendar-year basis, instead of a monthly basis. Ordinary health care expenses are calculated by multiplying 5 percent of the basic child support obligation by 12. The parent receiving child support payments is responsible for paying the ordinary health care expenses. Any health care expenses exceeding the annual ordinary health care expenses are deemed extraordinary health care expenses.

Once the amount constituting the annual ordinary health care expenses has been incurred, the parent receiving child support payments must notify the parent paying the child support that any additional health care expenses incurred in that calendar year constitute extraordinary health care expenses. The parent receiving the child support payments must provide documentation to show that the ordinary health care expenses have incurred. The parents must share the extraordinary health care expenses in the same proportion they share

the basic child support obligation. The parent paying child support is responsible for reimbursing the other parent for extraordinary health care expenses as the expenses are incurred.

Health care expenses— are those medical costs that are deductible from federal income taxes, regardless of whether the parent receives or claims a deduction for those expenses.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill would remove an area of conflict from the relationship of the parents. Parents would no longer have to have monthly contact. The bill would also do a better job than the existing law at preventing "spikes" in the payment of medical expenses. The amounts to be collected, to the extent that the amount is a known, fixed amount, would still be able to be collected by DSHS as part of the monthly child support payment. This bill simply calculates the amount on an annual basis; collection is still done monthly.

Testimony Against (Concerns): The bill would take the Division of Child Support "out of the loop" in terms of the collection of extraordinary health costs (chronic care expenses) and may actually cause more contact and conflict between the parents who will now have to deal with each other for collection of these amounts.

Testified: PRO: Representative Lambert, prime sponsor; Paul Battan, WSBA, Family Law Section; CONCERNS: Mike Ricchio, Division of Child Support.