

# HOUSE BILL REPORT

## EHB 1745

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### As Passed Legislature

**Title:** An act relating to child support technical amendments regarding medical support.

**Brief Description:** Making child support technical amendments regarding medical support.

**Sponsors:** By Representatives Lambert and Dickerson; by request of Department of Social and Health Services.

**Brief History:**

**Committee Activity:**

Judiciary: 2/15/01, 2/22/01 [DPA].

**Floor Activity:**

Passed House: 3/9/01, 94-0.

Passed Senate: 4/10/01, 48-0.

Passed Legislature.

### Brief Summary of Engrossed Bill

- Authorizes the Division of Child Support (DCS) to use the national medical support notice for enforcing health insurance coverage for dependant children.
- Requires the DCS to send the national medical support notice with the notice of payroll deduction to employers within two days after the parent is reported to the registry as a new hire.

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### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass as amended. Signed by 9 members: Representatives Carrell, Republican Co-Chair; Lantz, Democratic Co-Chair; Hurst, Democratic Vice Chair; Lambert, Republican Vice Chair; Casada, Dickerson, Esser, Lovick and McDermott.

**Staff:** Trudes Hutcheson (786-7384).

**Background:**

Federal law requires states to have a child support enforcement program that complies with federal requirements as a condition to the state receiving federal funds for child

support enforcement and Temporary Aid to Needy Families programs.

The Division of Child Support (DCS), which is within the Department of Social and Health Services, is responsible for administering Washington's child support enforcement program. The DCS provides support enforcement services to parents receiving public assistance and to those non-assistance parents who request support enforcement services.

All child support orders must order either or both parents to maintain or provide health insurance coverage for their dependent children if it is available through employment or is union-related and the cost does not exceed 25 percent of the basic support obligation. Mandatory language regarding medical support must be included in the child support order.

The DCS uses a variety of methods to enforce child support obligations, including the use of wage withholding. The DCS may issue a notice of payroll deduction to the parent's employer. The employer is required to make mandatory payroll deductions from the parent's unpaid disposable earnings.

For the purposes of locating parents and enforcing support, employers must notify the state support registry of any newly hired employees within a certain time of the hiring date. An employer who fails to report as required is subject to civil penalties.

The federal government recently created a standard form called the National Medical Support Notice (NMSN) to notify employers of the terms of a parent's obligations regarding health insurance coverage under a child support order. Federal law requires that state child support enforcement agencies use the NMSN. Federal law also requires states to send the NMSN to employers within two business days after the employer sends notice of a new employee to the state directory of new hires.

Agencies may adopt rules when authorized by the Legislature. The Administrative Procedure Act establishes rule-making procedures and standards of review. A person may challenge an agency's rule as being invalid. For example, a rule would be invalid if it exceeds the agency's authority. In addition, the Joint Administrative Rules and Review Committee may review an agency's proposed rules.

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### **Summary of Bill:**

The DCS is authorized to use the NMSN. The DCS may adopt rules to specify responsibilities of employers and plan administrators. The DCS must, where appropriate, send the NMSN with a notice of payroll deduction or income withholding order within two days after a noncustodial parent is reported to the support registry as a new hire.

Any rules adopted by the agency pursuant to the bill are subject to additional standards of

judicial review that, to the extent they conflict, supersede standards in the Administrative Procedure Act. The additional standards of judicial review require that the agency bear the burden of demonstrating that the agency action is authorized by law and valid. The validity of the rule may be determined upon a petition in any superior court. In determining whether the rule exceeds the agency's authority, the court must consider specific criteria.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** There are many benefits to the bill. The bill is needed to comply with the new federal requirements to use the medical support notice. The two-day requirement is pursuant to federal law.

**Testimony Against:** None.

**Testified:** David Stillman, Department of Social and Health Services, Division of Child Support.