

HOUSE BILL REPORT

HB 2405

As Reported by House Committee On:
Judiciary

Title: An act relating to implementation of mandatory provisions of the federal rule on flexibility, efficiency, and modernization in child support enforcement programs regarding health care coverage.

Brief Description: Concerning implementation of mandatory provisions of the federal rule on flexibility, efficiency, and modernization in child support enforcement programs regarding health care coverage.

Sponsors: Representatives Goodman, Kilduff, Jinkins and Appleton; by request of Department of Social and Health Services.

Brief History:

Committee Activity:

Judiciary: 1/16/18, 2/1/18 [DPS].

Brief Summary of Substitute Bill

- Revises provisions governing a parent's obligation to provide medical support for a child under a child support order, including by allowing a parent to meet the obligation by enrolling the child in public health care coverage.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Jinkins, Chair; Graves, Assistant Ranking Minority Member; Goodman, Haler, Hansen, Kirby, Muri, Orwall and Valdez.

Minority Report: Do not pass. Signed by 2 members: Representatives Klippert and Shea.

Staff: Edie Adams (786-7180).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

When a child support order is entered by a court or in an administrative proceeding, the order must require both parents to provide medical support for any child named in the order by providing health insurance coverage or contributing cash medical support. Health insurance coverage does not include coverage under Medicaid. Cash medical support consists of a parent's monthly payment toward the premium paid for coverage by either the other parent or the state and a parent's proportionate share of uninsured medical expenses.

Both parents share the obligation to provide medical support for the child or children specified in the order by providing health insurance coverage or contributing cash medical support and paying a proportionate share of any uninsured medical expenses. The court may excuse one parent from the responsibility to provide health insurance coverage or the monthly payment toward the premium under appropriate circumstances. The order must always require each parent to contribute their proportionate shares of uninsured medical expenses.

A parent ordered to provide health insurance coverage may comply with that requirement by providing coverage: (i) through private insurance; or (ii) through an employer or union if the cost of the coverage does not exceed 25 percent of that parent's basic child support obligation. If both parents have available health insurance coverage that is accessible to the child, the court may order the parent with better coverage to provide the health insurance coverage for the child and the other parent to pay a monthly payment toward the premium.

Parties to the order may seek enforcement of a medical support obligation on their own through superior court or may apply to the Department of Social and Health Services (DSHS) for enforcement services. The DSHS may enforce an obligated parent's medical support obligation by first seeking health insurance coverage, and if coverage is not available, by enforcing a cash medical support obligation. The DSHS may enforce an obligation to provide health insurance by issuing a National Medical Support Notice to the obligated parent's employer or union. When a notice is issued to an employer, the employer must respond. If health insurance is available, the employer must enroll the child or children in the insurance plan and withhold the premiums from the parents' pay.

Federal law requires states to have an approved child support program as a condition of receiving federal funds for various programs. As part of their program, states are required to take steps to ensure that health care coverage is provided for a child under a support order if coverage is accessible to the parent and can be obtained for the child at a reasonable cost. Federal rules governing medical support requirements were recently revised to provide that health care coverage includes public health care coverage in addition to private health insurance.

Summary of Substitute Bill:

Provisions governing a parent's obligation to provide medical support for a child under a child support order are revised. The definition of medical support is revised to include "health care coverage," rather than "health insurance coverage." Health care coverage may consist of health insurance coverage or public health care coverage.

"Public health care coverage" means state-financed or federally financed medical coverage, including coverage through the Department of Social and Health Services and the Health Care Authority for children residing in Washington, and for children residing outside Washington, coverage through another state's agencies that administer state-purchased health care programs. The term does not include coverage under chapter 41.05 RCW.

Provisions indicating that health insurance coverage does not include public medical assistance are removed. Numerous references to "health insurance" or "health insurance coverage" are revised to instead refer to health care coverage.

A child support order must include an obligation to provide health care coverage that is both accessible to all children named in the order and available at reasonable cost to the obligated parent. The court must allocate the cost of health care coverage between the parents.

The child's receipt of public health care coverage may not be the sole basis for excusing a parent from providing health insurance coverage through an employer or union.

A parent who satisfies the obligation to provide health care coverage by enrolling the child in public health care coverage must also provide accessible health insurance coverage for the child if it is available at no cost to the parent through the parent's employer or union.

The fact that one parent enrolled the child in public health care coverage does not satisfy the other parent's health care coverage obligation unless the order provides otherwise. A parent may satisfy the health care coverage obligation by enrolling the child in available and accessible health insurance coverage of an employer or union if it is available for no more than 25 percent of the noncustodial parent's basic support obligation. If accessible health insurance coverage is not available through the parent's employer or union, the parent may satisfy the obligation by contributing a proportionate share of any premium paid by the other parent or the state for public health care coverage for the child.

Substitute Bill Compared to Original Bill:

The substitute bill makes changes to clarify that "public health care coverage" does not include coverage provided under chapter 41.05 RCW. The substitute bill also rewords language regarding obligation of a parent to provide health care coverage, even though the other parent has enrolled the child in public health care coverage.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill was brought by the Department of Social and Health Services to implement recent federal requirements so that the state does not lose federal money. Federal rules now require public health care coverage to qualify for meeting a medical support obligation. The legislation is needed to maintain federal funding, but it will also have the important benefit of more children having health care coverage by allowing a broader spectrum of coverage to meet the parent's medical support obligation. Parents will be able to avail themselves of publicly provided coverage such as the Children's Health Insurance Program.

(Opposed) None.

Persons Testifying: Representative Goodman, prime sponsor; and Wally McClure, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: None.