

**National Council of Child Support Directors (NCCSD)
Position Paper - Medical Support
Approved by Executive Committee April 21, 2005**

Issue:

Recently introduced S.667 (Section 320 of the PRIDE bill) would create new mandates on State Title IV-D programs with regard to medical support. The proposal would require State IV-D program to establish and enforce medical support obligations against custodial parents and broaden the definition of medical support from the establishment of health care coverage to include cash medical obligations.

NCCSD believes the mandates with respect to establishment and enforcement of medical support obligations against custodial parents are premature and require further study. In the history of Title IV-D, it has always been an assumption that the custodial parent's financial and medical obligations are met without enforcement. It is not clear that the proposals in S.667 are addressing a problem that exists. The proposals do, however, create a significant burden on states' programs to develop costly program and systems changes to implement. Also, redefining medical support to include cash medical would usher in new responsibilities to establish and enforce cash medical obligations including against custodial parents, which is problematic –states' child support laws treat such obligations very differently.

These provisions are also being proposed at a time when key changes to federal law and regulation have yet to be implemented. Examples of these provisions include the Section 201 provision of the Child Support Performance and Incentive Act of 1998 for a cost neutral medical support performance measure and, among other changes, the regulatory change to the definition of "reasonable cost" of medical support (45 CFR 303.31). NCCSD supports improving medical support for Title IV-D children but cannot support the proposal as written but would support changes to medical support as outlined below.

Access to medical support for children should be a national priority; however, the burden for resolving this growing federal and state problem should not be placed solely on the IV-D Child Support Enforcement Program to the detriment of its primary mission to provide both financial and medical support to families. The role of other programs affected should be defined and coordinated as a part of this legislation.

NCCSD Statement in Conditional Support:

The National Council of Child Support Directors (NCCSD) supports clear authorization of IV-D agencies to pursue medical support establishment and enforcement for children. Lack of clarity has significantly impeded the ability of states to undertake a more effective role. Pending federal legislation that expands program responsibilities to establish and enforce medical support must include the basic tools and funding.

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NCCSD proposes improvements in the pending legislation:

1. Allow, but not mandate, either parent to provide medical support for a child.
2. Remove the mandate in the pending legislation to enforce a medical support obligation against the Custodial Parent.
3. Revise the definition of medical support enforcement in the pending legislation to remove the language, which broadens the child support mission beyond the establishment and enforcement of medical insurance coverage for children. Insurance premiums are defined as a sum certain in current federal law, and expanding enforcement to non-sum certain amounts would be costly. Expansion of this definition should be at state option and governed by state law.
4. Introduce a companion amendment to 466 (a)(19)(B) that requires notification to plan administrators of the new requirement to notify the State child support program of the loss of health insurance coverage be included in the National Medical Support Notice.
5. Authorize OCSE to conduct a nation-wide automated match of the IV-D caseload by comparing the FCR database with insurance databases to identify the availability of health insurance through employers and organizations for IV-D families; a match conducted at the federal level would be more cost-effective and efficient.
6. Authorize enhanced federal funding at 90% FFP for states to implement the new medical support requirements to ensure timely and consistent implementation of any medical provisions that require state child support agencies to assume new responsibilities. Without such funding, the significant cost to assume the new responsibilities will result in a drain on resources from the traditional mission of the program and could jeopardize the ability of the IV-D agency to obtain financial and medical support for families.
7. Conduct a feasibility study to determine the savings that may accrue to the federal and state programs by a more robust emphasis on medical support. The study should include efforts not only by the IV-D program, but also the gains that could be achieved by better coordination between IV-D, Medicaid and SCHIP.
8. Promulgate a federal regulation to establish a long overdue workable definition for "reasonable cost" for obtaining medical insurance.

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Background:

Since the 2000 report by the Medical Child Support Work Group, NCCSD and other child support organizations on several occasions have requested Congress and the Administration provide a clear process and tools for states to follow to ensure effective health care coverage for children. NCCSD has offered assistance, but has seen no coordinated effort to clarify this process.

On June 6, 2001, NCCSD adopted a resolution requesting OCSE to support the states' efforts to be more effective on medical support, including 1) regulatory changes to redefine "reasonable cost" and to define the priority of withholding when income withholding is enforcing both financial and monetary child support orders; and 2) coordination between IV-D, Medicaid and SCHIP, and others, to name just two. In November 2002, NCCSD, in conjunction with ERICSA, also provided a recommendation for a definition of reasonable cost. On March 19, 2004, NCCSD provided OCSE with a framework for discussion of the medical incentive measures. This framework resulted in an agreement on the medical performance measures. However, there are many remaining issues, but little progress has been made since that time.