

**SB**

**2017**

**HFIN**

**FILE**

(11)

# HOUSE COMMITTEE REPORT

FURTHER REFERRALS:

Date Referred to Committee: April 18, 2000

Date of Committee Action: 4/19/00

The FINANCE Committee considered:

SB 207

SENATE BILL NO. 207

MEDICAL SUPPORT ORDERS FOR CHILDREN

"An Act relating to the establishment and enforcement of medical support orders for children; and providing for an effective date."

recommends it be replaced with the following committee substitute SB 207  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) DOB 1/20/00

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Car Beendo</i>	Bunde	✓			
<i>J. Davis</i>	J. DAVIS	X			
<i>Grissondat</i>	Grissondat	X			
<i>J. Davis</i>	J. DAVIS	X			
<i>William</i>	Williams	X			
<i>Phillips</i>	Phillips	←			
<i>Foster</i>	Foster	X			

CHAIR'S SIGNATURE Car Beendo

# FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

No. 1  
Bill Version: SB 207  
(S) Publish Date: 1-20-00

Revision Data/Time (Note if correction) _____	Dept. Affected	Revenue
Title <u>medical support orders for children</u>	BRU	Child Support Enforcement
Sponsor <u>Rules</u>	Component	Child Support Enforcement
Requester <u>Governor</u>	Component #/to.	

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

**POSITIONS**

POSITIONS	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)

Any additional work resulting from the passage of this legislation will be performed with existing resources.

Prepared by: <u>Dana Owen</u>	Phone: <u>465-2302</u>
Division: <u>Commissioner's Office</u>	Date/Time: <u>12/28/99 11:44 AM</u>
Approved by Commissioner: <u>[Signature]</u>	Date: <u>12/28/99</u>
Agency: <u>Dept. of Revenue</u>	

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## Medical Support Order Survey

CSED asked all states whether the child support agency could establish separate medical orders. Twenty-four responded.

Total responses: 24. "Yes" responses 16 and "No" responses 3. Five states responded that all orders are done by the court.

### "Yes" Answers:

<b>Arizona</b>	<b>Arkansas</b>	<b>California</b>
<b>Colorado</b>	<b>Hawaii</b>	<b>Idaho</b>
<b>Iowa</b>	<b>Kentucky</b>	<b>Maine</b>
<b>Nebraska</b>	<b>North Dakota</b>	<b>Oregon</b>
<b>South Carolina</b>	<b>Texas</b>	<b>Washington</b>

**Connecticut**-can take voluntary agreements and file with court or they can petition the court for medical only orders.

### "No" Answers:

**Montana**-may only be established as part of an action or proceeding to establish a support order; no medical support order process.

**South Dakota**-does not have authority to establish medical support only orders.

**Utah**-does not establish without financial awards. In Medicaid only cases in which the obligee has declined financial child support services and there is no child or medical support order, they first establish an order with both provisions. If there is already an order, and if the Medicaid only obligee has declined financial child support collection and enforcement services, will we then enforce only the medical obligation.

### Orders Established By Court Only:

<b>DC</b>	<b>Louisiana</b>	<b>Maryland</b>
<b>Massachusetts</b>	<b>Virginia</b>	

3/20/00

TONY KNOWLES

GOVERNOR

STATE OF ALASKA

OFFICE OF THE GOVERNOR

JUNEAU

January 19, 2000

SB 207

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

Thanks to the inception of Denali Kid Care in March 1999, 12,000 more Alaska children and pregnant women have basic medical care. The success of this program will have far-reaching and long-term effects on the health and well-being of Alaskans.

The vast success of Denali Kid Care has brought more into focus, however, an ongoing problem with Medicaid benefits and its effect on Alaska's child support system. This bill corrects the problem by clarifying that a child support order need not be automatically established when a custodial parent receives medical benefits through Medicaid.

The Child Support Enforcement Division (CSED) must, under federal law, issue a medical support order whenever a custodial parent receives medical benefits through Medicaid. The support order requires either parent to provide health care coverage for the child if it is available at a reasonable cost. Currently, the CSED cannot establish a medical support order only; it must be in conjunction with a child support order that seeks monthly support payments. The custodial parent, however, may not want to pursue child support for various reasons. The current requirement to do so, then, becomes a disincentive to seek valuable medical benefits through Denali Kid Care. To allow more flexibility in such cases, this bill gives parents the option of requesting a medical support order only, without an accompanying child support order.

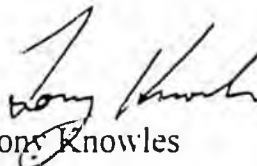
This bill also amends the medical support statutes to provide that either parent, not simply the obligor parent, may be required to provide health care coverage if coverage is available to the parent at a reasonable cost. By making this change, the bill assures that

The Honorable Drue Pearce  
January 19, 2000  
Page 2

the statutory requirements for medical support orders are consistent with the requirements of Alaska Civil Rules and related federal law. This bill also makes it clear that a medical support order can be issued regardless of whether health care coverage is currently available to either parent. This makes medical support a continuing obligation on the part of either parent to provide health care coverage for the child whenever it is available at a reasonable cost.

In the interest of the health of Alaska's children. I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles". The signature is stylized and cursive.

Tony Knowles  
Governor

**SB207 Summary**  
**Prepared by the Child Support Enforcement Division**  
**April 17, 2000**

Senate Bill 207 helps both parents by providing more flexibility in child support cases. It gives the parents a choice by allowing the Child Support Enforcement Division to establish a medical support order without also establishing a financial support order at the same time.

The child support agency is currently required to establish a medical support order whenever a child starts receiving medical assistance benefits. This is to ensure that the non-custodial parent provides health care coverage if available at a reasonable cost from his or her employer. Under existing statute, the agency must also establish a financial order at the same time -- even though the parents may not want or need a financial order. This creates problems if the financial order for monthly child support payments is not needed, and it also creates problems if the custodial parent later receives public assistance benefits and the child support agency has to go back and collect financial support. This legislation would solve both problems by allowing the agency to set up a medical support order only -- if that is what both parents want.

This bill also amends the medical support statutes to provide that either parent, not simply the non-custodial parent, may be required to provide health care coverage. This allows the court or the child support agency to consider which parent has the better or more cost-effective health care coverage available for the child.

The bill also amends state law to clarify that a medical support order shall be issued regardless whether CSED knows at the time if health care coverage is available to either parent. That provision, however, would not take effect unless one or both of the parents has health insurance available at a reasonable cost. This allows more efficient enforcement of medical support for children.

In a survey of other states, most have separate provisions for medical and financial orders as proposed in SB 207. This change in Alaska statutes is allowed under federal law and regulations.

## Sectional Analysis Senate Bill 207

### **“An Act relating to the establishment and enforcement of medical support orders for children and providing for an effective date.”**

This bill makes three changes to child support statutes. First, under existing statutes, an order for medical support can only be established in conjunction with a financial support order. This bill changes the law so that a medical support order may be established on its own. Second, this bill amends the medical support statutes to provide that either parent, not simply the obligor parent, may be required to provide health care coverage. Third, this bill amends the law to require that a medical support order be issued regardless of whether health care coverage is currently available to either parent.

Since so many statutes address child support, changes must be made to many different sections.

Section 1 removes the requirement in AS 25.27.020(a) (9) that a medical support order be issued only as part of a child support order. It also amends the statutes to provide that either parent, not simply the obligor parent, may be required to provide health care coverage.

Section 2 accomplishes the same as Section 1. However, this section amends AS 25.27.060(c), which addresses court orders.

Section 3 amends AS 25.27.063(a) so that either parent may be ordered to provide medical support, not just the obligor. It also adds language clarifying that the parent must provide health insurance only if the health insurance is available at a reasonable cost. This makes this section consistent with other statutes.

Section 4 amends AS 25.27.063(b) so that either parent may be ordered to provide medical support, not just the obligor.

Section 5 amends AS 25.27.140(a) to allow CSED to establish a medical support order as part of a duty of support.

Section 6 amends AS 25.27.140(c) so that it is clear that CSED will not send out an income withholding order with a medical support order only.

Section 7 amends AS 25.27.160 to include the establishment of medical support orders in the same procedures used to establish child support orders. The section

clarifies that CSED must serve the obligor with a notice and finding of financial responsibility to establish a medical support order only. However, it exempts medical support orders from certain requirements, including the requirement that the notice set a periodic payment amount and that the notice inform the obligor of the possibility that the obligor's property and assets will be subject to execution.

Section 8 adds a new section to AS 25.27.160 that delineates the requirements for a notice and finding of financial responsibility for a medical support order.

Sections 9 and 10 amend AS 25.27.170(d) and 25.27.170(f) so that hearing officers of the Department of Revenue have clear direction when holding hearings for medical support orders only. In Section 9, when the hearing relates to medical support only, the hearing officer is not required to determine the amount of periodic payments. In Section 10, when the hearing relates to medical support only, the obligor's property and income is not subject to immediate execution if the obligor fails to appear at the hearing.

Section 11 describes what must happen in a hearing for a medical support order only. The hearing officer shall determine whether either parent is required to provide health care coverage, taking into consideration whether coverage is available to either parent at a reasonable cost and whether adequate health care is available through Indian Health Service or other insurance coverage.

Section 12 adds the requirement that a decision issued by a hearing officer include a medical support order. It removes the requirement that the hearing officer determine the amount of periodic payments if a medical support order only is being established.

Section 13 adds the duty to provide health care coverage to the definition of duty to support.

Section 14 specifies that the legislation takes effect immediately.

# FISCAL NOTE

**STATE OF ALASKA**  
**2000 LEGISLATIVE SESSION**

**BILL NO. SB 207**

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Revenue _____
Title <u>Medical Support Orders for Children</u>	BRU	<u>Child Support Enforcement</u>
	Component	<u>Child Support Enforcement</u>
Sponsor <u>Rules</u>		
Requester <u>Senate Health, Education and Social Services</u>	Component No.	<u>111</u>

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2000) cost: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The main feature of this legislation would allow the Child Support Enforcement Division to issue a medical support order without it having to be in conjunction with an order for financial support. Under existing statutes, an order for medical support can only be established in conjunction with a financial support order. This bill changes the law so that a medical support order may be established on its own.

Prepared by: <u>Barbara Miklos, Director</u>	Phone _____
Division: <u>Child Support Enforcement Division</u>	Date/Time: <u>2/7/00 9:06 AM</u>
Approved by: <u>Wilson Condon, Commissioner</u>	Date: _____
Agency: <u>Department of Revenue</u>	

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