

# SENATE BILL REPORT

## SHB 1845

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As Reported by Senate Committee On:  
Human Services & Corrections, March 26, 2009

**Title:** An act relating to medical support obligations.

**Brief Description:** Concerning medical support obligations.

**Sponsors:** House Committee on Judiciary (originally sponsored by Representatives Rodne and Pedersen; by request of Department of Social and Health Services).

**Brief History:** Passed House: 3/06/09, 96-0.

**Committee Activity:** Human Services & Corrections: 3/24/09, 3/26/09 [DPA, w/oRec].

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Majority Report:** Do pass as amended.

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member; Brandland, Kauffman and McAuliffe.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Carrell.

**Staff:** Shani Bauer (786-7468)

**Background:** Under federal law, the state must take steps to provide for a child's health care coverage as part of any child support order. In July of 2008, the Administration for Children and Families adopted new regulations further specifying state obligations in enforcing medical support provisions. Specifically, those regulations require the state to consider health insurance available to either parent at the time of entering a support order and require an obligated parent to pay a cash medical support obligation if that person does not have health insurance available. The regulations also define reasonable cost for health insurance as 5 percent of a parent's gross income or a comparable standard determined by the state.

A cash medical support obligation may require the parent to pay a proportional amount of an insurance premium paid for private insurance by the other party or an amount paid by the state to cover the child under Medicaid. If the child is covered by the state through Medicaid, the parent's proportional share may be retained by the state as reimbursement or

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passed through to the parent for payment of medical expenses. If no insurance is available, the parent must be required to contribute to the uninsured expenses of the child.

Under current state law, the court must require either or both parents to provide health insurance coverage for the child if coverage is or becomes available through the parents' employment and the cost is less than 25 percent of the obligated parent's basic child support obligation. The court may also provide for the uninsured medical costs of the children.

Health insurance coverage is enforced by the Department of Social and Health Services (DSHS) through a standardized notice developed by the federal government called the "National Medical Support Notice." When a notice is issued to an employer, the employer must respond. If health insurance is available, the employer must withhold the necessary premium and forward the notice to a health insurance provider. The provider must enroll the children in health care coverage.

**Summary of Bill (Recommended Amendments):** Both parents to a child support order are equally responsible to provide medical support for any child named in the order in the form of health insurance coverage, cash medical support and the parents' proportionate share of uninsured medical expenses for the child. The court may excuse one parent from the responsibility of providing health insurance or cash medical support under appropriate circumstances.

If health insurance coverage is available to one or both parents at the time the order is entered, the court may specify priorities for enforcement of the obligation to provide coverage and/or cash medical support. If both parents have coverage available, the court may order the parent with better coverage to provide the health insurance coverage, considering the needs of the child, cost and extent of each parent's coverage, and the accessibility of the coverage.

If the child receives state-financed medical coverage through DSHS, the obligated parent must pay cash medical support in an amount equal to that parent's proportionate share of the health insurance premium, not to exceed 25 percent of the parent's basic child support obligation.

Like provisions must be included in administrative support orders established through DSHS.

A parent may satisfy his or her obligation to provide health insurance coverage by providing proof of accessible coverage for the child through private insurance or providing insurance through the parent's employment. If no proof is provided, DSHS or the other parent may seek to enforce health insurance coverage against an obligated parent. A parent seeking to enforce another parent's cash medical support obligation may apply for support enforcement services with DSHS or take action on their own behalf through the superior court. If a sum certain amount is not specified in the order for cash medical support, DSHS may serve notice on the parent to determine the amount.

When cash medical support is collected and the child is on Medicaid, DSHS may retain the funds as reimbursement or pass through the funds to the parent for medical costs.

Enforcement of health insurance coverage using the National Medical Support Notice is limited to enforcing coverage against the obligated parent.

A receiving parent may be required to account for how cash medical support is being used to benefit the child. A parent required to provide health insurance coverage must notify DSHS and the other parent when coverage terminates.

**EFFECT OF CHANGES MADE BY HUMAN SERVICES & CORRECTIONS COMMITTEE (Recommended Amendments):** Guidance is provided to the court in ordering health insurance coverage for a child when both parents have health insurance coverage available (to avoid double coverage). The health insurance premium must be included in the child support calculation when the premium is known at the time the order is entered. Provisions are reorganized for clarity and terms are defined.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on October 1, 2009.

**Staff Summary of Public Testimony on Substitute House Bill:** PRO: This bill satisfies a state plan requirement for DSHS. A striker is being worked on collaboratively that would reorganize provisions for clarity, ensure whenever possible that parents are not being required to provide double coverage for a child, and to allow a credit to the child support calculation when coverage is provided at the time the order is entered.

**Persons Testifying:** PRO: David Stillman, DSHS, Division of Child Support; Robin Zukoski, Columbia Legal Services.