What's New With Medical Support?

A Guide for Employers

July 2006

Medical Support

GOAL:

Meeting the medical needs of children.

Medical Support Goals

- Obtain medical support for all children.
- Enforce existing orders to provide health care coverage.
- Promote use of a standardized notice to employers for initiating insurance coverage.

Medical Support Legislation

⌘1984

States required to secure medical support information and obtain health insurance coverage from NCP when available at a reasonable cost.

Medical Support Legislation

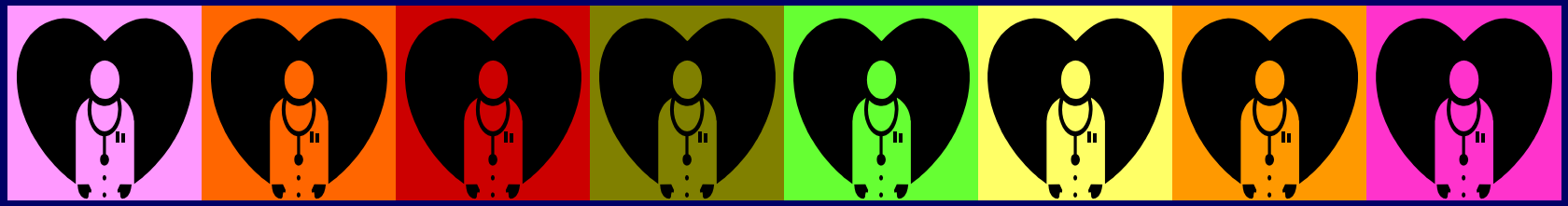
⌘1993

Removal of impediments made it easier to secure and enforce medical coverage for children.

Medical Support Legislation

⌘1996-1998

- Health Care coverage provision required in all IV-D orders.
- Establishment of the Medical Support Working Group:
  - To identify barriers to appropriate health care.
  - To assist in development of a National Medical Support Notice (NMSN).



Medical Support Legislation

- Deficit Reduction Act of 2005
  - Effective October 1, 2005, unless a state law change is required, all IV-D support orders must include a provision for medical support to be provided by either or both parents.
  - Enforcement against the custodial party (CP) is optional.
  - Employers may see the National Medical Support Notice used to enforce a support order against a CP.

National Medical Support Notice

States are now required to use the NMSN to notify employers and health care plan administrators of the order requiring the employee to cover dependents.

National Medical Support Notice

- Constitutes a Qualified Medical Child Support Order and meets ERISA requirements.
- Provides name and address of issuing agency contact.
- Contains issuing state law provisions or state policy for:
  - Withholding employee health insurance contribution,
  - Priority between child support and health insurance when funds are insufficient to cover both, and
  - Duration of the obligation.

National Medical Support Notice

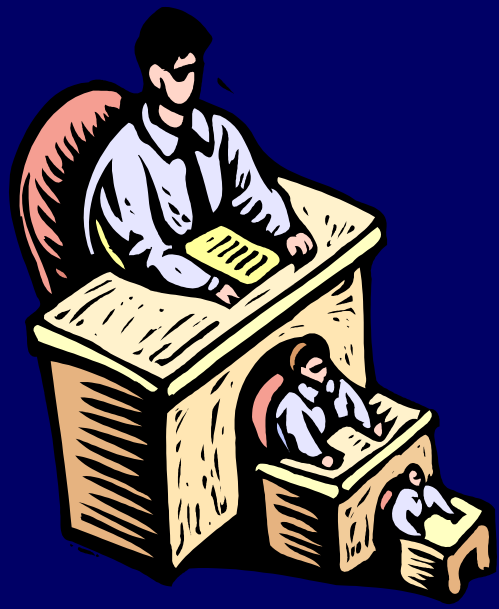
The NMSN is actually 4 different documents plus instructions to the employer and the plan administrator:

I. Part A- Notice to Withhold for Health Care Coverage

II. Employer Response

III. Part B- Medical Support Notice to Plan Administrator

IV. Plan Administrator Response



Part A-Notice to Withhold for Health Care Coverage

- Part A will be completed by the child support agency to provide identifying information to the employer about the case and the employee.

Employer Response

- NMSN should be directed to Human Resources or personnel dept.
- Employer Response should be completed and returned to Issuing Agency when:
  - Employer does not provide health care coverage,
  - Employee is ineligible for health coverage due to work status, or
  - Employee has been terminated.
- Part B is forwarded to Plan Administrator.

Part B- Medical Support Notice to Plan Administrator

- Notifies the Plan Administrator of the obligation to provide health care coverage.
- Plan Administrator has 40 business days to complete and return the response to notify the Issuing Agency of action taken.

Plan Administrator Response

Plan Administrator must:

- Enroll child(ren) in health care plan and notify issuing agency and parents, or send them information if options exist.
- Notify employer so that payroll can make proper deductions.

Payroll's Responsibilities

- Once notified of enrollment by the Plan Administrator, payroll must begin deductions for premiums from employee's pay.
- If the limitations on withholding and the state's priority for withholding make it impossible to deduct the premiums, No.4 on the Employer Response should be checked and the Response sent to the Issuing Agency.

Update from OCSE

- All states are currently using the NMSN-many have automated the process.
- OCSE continues to provide assistance to states addressing policy and employer concerns.

Questions?

For more information on medical support, contact:

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Thank you from the children of America!