

SUBJECT: Requiring court-ordered medical support through CHIP

COMMITTEE: Juvenile Justice and Family Issues — committee substitute recommended

VOTE: 6 ayes — Goodman, A. Reyna, E. Reyna, King, Morrison, Tillery
0 nays
3 absent — Menendez, Naishtat, Nixon

SENATE VOTE: On final passage, March 6 — 30-0

WITNESSES: None

BACKGROUND: Family Code, sec. 154.181 directs a court to order medical support in child-support cases. In doing so, the court must consider the cost and quality of health coverage available to each parent and must give priority to employer-sponsored coverage. If no employer-sponsored coverage is available, the court must order the responsible parent to apply for coverage through the Texas Healthy Kids Corp. (THK), a consortium of private insurance companies and health maintenance organizations brought together by the state to offer affordable private health insurance to families who need it. If no coverage is available through THK, the court must order the responsible parent to pay a reasonable amount above or below \$38 each month for medical assistance.

In April 2000, the state launched the TexCare Partnership as an umbrella organization for THK and the Children’s Health Insurance Program (CHIP), the state-federal health coverage program for children who live in families below a certain income level but above the level for Medicaid eligibility. As CHIP became fully operational, about 95 percent of THK enrollees became CHIP enrollees. THK will cease operations on May 31, 2001.

DIGEST: CSSB 236 would provide that, before temporary orders or a final order for child support, the court would have to require the parties to the proceeding to disclose:

- ! if private health insurance was in effect for the child, the identity of the insurance provider, the policy number, which parent was responsible for paying any premium, whether the coverage was provided through a parent's employer, and the premium cost; or
- ! if private health insurance was not in effect for the child, whether the child was receiving medical assistance through CHIP or Medicaid and if either parent had access to private health insurance at a reasonable cost.

In rendering temporary orders, the court would have to order continuation of any current coverage pending rendition of a final order, unless coverage were not available to the parent at a reasonable cost, defined as not more than 10 percent of the responsible parent's monthly net income. In that case, the court would have to order the parent to apply for CHIP or Medicaid and that any premium cost be included in child support.

In a final order for child support, if no employer-sponsored coverage were available at a reasonable cost, the court would have to order the parent to apply for CHIP or Medicaid and that any premium cost be included in child support. The responsible parent would have to demonstrate to the court that the parent had applied for or secured health insurance for the child or had taken other necessary steps to provide coverage for the child.

CSSB 236 would direct the attorney general and the Health and Human Services Commission to seek any necessary federal waivers or authorizations needed to implement the bill's provisions.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSSB 236 would update the Family Code to reflect changes in Texas' medical assistance programs. Current law directs the court to order a parent to apply for insurance only through THK, but THK operations have been transferred to the TexCare Partnership and the CHIP program. Without a corresponding change in the code, a court would not be directed to ensure that child-support orders entitled children to receive the health coverage they needed through the programs for which they were eligible.

Under this bill, the court could order parents to apply for Medicaid coverage for the child. If a child is eligible for Medicaid, the court should be allowed to order a parent to apply for it, because the court is required to order medical assistance.

CSSB 236 also would require parents to disclose information the court needs to make appropriate decisions about medical support. Under current law, parents do not have to disclose specific information about what private insurance coverage is in effect. This change would allow the court to evaluate the cost and validity of the parent's medical insurance before settling the matter of medical support.

OPPONENTS
SAY:

SB 236 would make it difficult for some parents to meet their child support obligations. A parent could be ordered to pay 40 percent of monthly net income for child support, then an additional 10 percent for medical support. The state should not change the definition of reasonable cost from a set amount of \$38 to 10 percent of net income, which could vary widely.

NOTES:

The committee substitute modified the Senate engrossed version to require parties to a parent-child relationship proceeding to disclose the identity of the insurance company and the policy number of any insurance in effect and whether the coverage was provided through a parent's employment, as opposed to the source and quality of the insurance, including any limitations on coverage.