

- SUBJECT:** Statewide program to provide healthcare to children in Title IV-D cases
- COMMITTEE:** Judiciary and Civil Jurisprudence — favorable, without amendment
- VOTE:** 7 ayes — Hunter, Alonzo, Hartnett, Jackson, Lewis, Madden, Woolley  
0 nays  
4 absent — Hughes, Branch, Leibowitz, Martinez
- SENATE VOTE:** On final passage, April 8 — 31-0
- WITNESSES:** (*On House companion bill, HB 4288:*)  
For — (*Registered, but did not testify:* Vicki Hansen, National Association of Workers, Texas Chapter; Jared Wolfe, Texas Association of Health Plans)  
Against — None  
On — Alicia Key, Office of the Attorney General; (*Registered, but did not testify:* Dianne Longley, Texas Department of Insurance)
- BACKGROUND:** Family Code, ch. 154, subch. D requires a court to issue an order for the medical support of a child in certain court proceedings.  
  
Under sec. 154.182, in determining the manner and amount of medical support of a child, the court must consider the cost and quality of health insurance coverage available to the parties and give priority to health care coverage available through the employment of one of the parties if the coverage is available at a reasonable cost. Sec. 154.182(b) requires the court to issue a medical support order according to certain priorities, unless a party shows good cause as to why a particular order would not be in the best interest of the child.  
  
An order to pay cash medical support does not always result in actual health care coverage for a child, since the amount may be too small to purchase adequate coverage. As the need for health insurance for low-income children continues to grow, policymakers have studied a number

of options designed to increase health care coverage for children who are not covered by traditional employment-based or private health insurance.

**DIGEST:**

SB 66 would require the state's Title IV-D child support agency — the Office of the Attorney General — to develop and implement a statewide program to address the health care needs of and provide basic health care services to children in Title IV-D cases for whom health insurance was not available to either parent at reasonable cost through a parent's employment or membership in a union, trade association, or other organization, or through any other source. The agency could adopt rules as necessary to implement the program.

The agency would have to consult with the Texas Department of Insurance (TDI), the Health and Human Services Commission, and representatives of the insurance industry in Texas in the program's development and implementation. The Title IV-D agency could use available private resources to administer the program, including gifts and grants.

**Advisory committee.** The director of the Title IV-D agency could establish an advisory committee to consult with the director regarding the implementation and operation of the program. The director could appoint representatives of appropriate public and private entities, the judiciary, Legislature, and representatives of the insurance industry.

**Eligibility for coverage under the program.** A child who was eligible for coverage under the program would be eligible until the parent's duty to pay child support ended. A child's enrollment in the program would not prevent the child's subsequent enrollment in another health care plan that became available to the child's parent at reasonable cost. A health benefit plan issuer would be prohibited from denying health care coverage to eligible children because of preexisting conditions or chronic illnesses.

**Contract with independent administrator.** The Title IV-D agency would have to contract with an independent third-party administrator to provide necessary administrative services for the program's operation. The third-party administrator would not be considered an administrator for the purposes of Insurance Code, ch. 4151.

**Solicitation for participation in the program.** The Title IV-D agency would have to solicit applications for participation in the program from health benefit plan issuers that met requirements specified by the agency.

Each issuer that participated in the program would have to hold a certificate of authority issued by TDI.

**Notification of courts of program's implementation.** The Title IV-D agency would have to notify the courts of this state when the program was implemented. The notification would have to specify a start date. A court that ordered health care coverage for a child on or after the specified date would have to order that the child be enrolled in the program unless health insurance was available for the child at reasonable cost, including the state child health plan for certain low-income children,

**Enforcement by Title IV-D agency.** SB 66 would authorize the Title IV-D agency to enforce against the obligor by any means available, including income withholding for child support under Family Code, ch. 158, the payment premium costs for the enrollment of a child in the program.

**Program not subject to other state law.** The program would not be subject to any provision of the Insurance Code or other law that required coverage or the offer of coverage of a health care service or benefit.

**Confidentiality.** Any information obtained would be confidential and not open to public information if the information was subject to the federal Health Insurance Portability and Accountability Act of 1996 or subject to Health and Safety Code, ch. 181, concerning medical records privacy.

**Administrative adjustment of medical support order.** SB 66 would allow the Title IV-D agency, in each case in which a medical support order required that a child be enrolled in the program, to adjust annually the order as necessary to reflect changes in premium costs associated with enrollment. The agency would have to provide notice of the administrative adjustment to the obligor and the clerk of the court that issued the medical support order.

**Miscellaneous provisions.** SB 66 would amend Family Code, 154.182(b) to reference the statewide program created by the Title IV-D agency. In situations where a court would have to order a child support obligor to pay cash medical support, the bill would amend existing law to require the court to order the obligor to pay, in addition to any other child support, an amount in cash medical support not to exceed 9 percent of the obligor's annual resources, rather than monthly resources under current law.

The 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, 2009.

NOTES:

The companion bill, HB 4288 by Hunter, was considered in a public hearing by the House Judiciary and Civil Jurisprudence Committee on April 15 and reported favorably, as substituted, on April 24.