

BILL ANALYSIS

Senate Research Center
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S.B. 66
By: Nelson
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The goal of S.B. 66 is to ensure that children in the child support system are covered by health insurance. Federal law requires parents in the child support system to provide health coverage for their children. If no coverage is available through an employer, the parent cannot afford a private plan, and the family does not qualify for the state Children's Health Insurance Program or Medicaid, a judge typically orders the non-custodial parent to pay "cash medical" support to the custodial parent to pay for health care. Unfortunately, this does not always lead to actual coverage.

As proposed, S.B. 66 establishes an insurance pool for certain children in Title IV-D cases, authorizes the courts to ensure that eligible children have health coverage by ordering that the child be rolled in the pool and requiring the obligor to pay premium costs at a reasonable cost.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Office of the Attorney General as the Title IV-D agency in SECTION 2 (Section 154.1826, Family Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 154.182(b), Family Code, as follows:

(b) Requires the court, in determining the manner in which health care coverage for the child is to be ordered, to render its order in accordance with the following priorities, unless a party shows cause why a particular order would not be in the best interest of the child:

(1) Requires the court, if health insurance is available for the child through a parent's employment or membership in a union, trade association, or other organization at reasonable cost, rather than at reasonable cost to the parent, to order that parent to include the child in the parent's health insurance;

(2) Authorizes the court, if health insurance is not available for the child under Subdivision (1) but is available to a parent at reasonable cost from another source, including the program under Section 154.1826 to provide health insurance in Title IV-D cases, to order that parent to provide health insurance for the child; or

(3) Requires the court, if health insurance coverage is not available for the child under Subdivision (1) or (2), to order the obligor to pay the obligee, in addition to any amount ordered under the guidelines for child support, an amount not to exceed nine percent of the obligor's annual resources, rather than monthly resources, as described by Section 154.062(b), as cash medical support for the child.

SECTION 2. Amends Subchapter D, Chapter 154, Family Code, by adding Sections 154.1826 and 154.1827, as follows:

Sec. 154.1826. HEALTH CARE PROGRAM FOR CERTAIN CHILDREN IN TITLE IV-D CASES. (a) Defines "health benefit plan issuer," "health care provider," "program," and "reasonable cost."

(b) Requires the Title IV-D agency Office of the Attorney General (OAG), in consultation with the Texas Department of Insurance (TDI), the Health and Human Services Commission (HHSC), and representatives of the insurance industry, to develop and implement a statewide program (program) to address the health care needs of children in Title IV-D cases for whom health insurance is not available to either parent at reasonable cost in the manner described by Section 154.182(b)(1).

(c) Provides that the principal objective of the program is to provide certain basic health care services to eligible children in Title IV-D cases at reasonable cost to the parents obligated by court order to provide medical support for the children. Provides that the health care services provided are intended to be commensurate in range of services with the premium reimbursement available to a health benefit plan issuer.

(d) Provides that it is the intent of the legislature that the OAG maximize the use of private resources in administering the program, including grants and gifts. Authorizes OAG to contract with a third-party administrator to provide enrollment and related services under the program, to the extent federal money is available for that purpose.

(e) Requires OAG to adopt rules as necessary to implement the program. Requires OAG to consult with HHSC and other public and private health care authorities in establishing policies regarding benefits provided by the program.

(f) Prohibits the program from denying health care coverage to eligible children because of preexisting conditions or chronic illnesses, and requires that a uniform schedule of benefits be provided for all children enrolled in the program. Provides that a child determined to be eligible for coverage under the program continues to be eligible until the termination of the parent's duty to pay child support as specified in Section 154.006 (Termination of Duty of Support).

(g) Requires OAG to solicit applications for participation in the program from health benefit plan issuers who meet requirements specified by OAG. Requires OAG to consult with TDI in the appropriate rating of health plan issuers who apply for participation in the program. Requires each health benefit plan issuer who participates in the program to hold a certificate of authority issued by TDI.

(h) Requires OAG to promptly notify the courts of this state when the program has been implemented and is available to provide for the health care needs of children described by Subsection (b). Requires that the notification specify a date beginning on which children are authorized to be enrolled in the program.

(i) Requires a court that orders health care coverage for a child in a Title IV-D case to order that the child be enrolled in the program authorized by this section unless other private health insurance is available for the child at reasonable cost on or after the date specified in the notification required by Subsection (h).

(j) Authorizes enforcement of the payment of premium costs for the enrollment of a child in the program against the obligor by any means available for the enforcement of a child support obligation, including income withholding under Chapter 158 (Withholding from Earnings for Child Support).

(k) Provides that the program authorized by this section, to provide services at a reasonable cost to an obligor and notwithstanding any provision of the Insurance Code, is not subject to a law that requires certain coverage, the offer of coverage, or the use of a certain policy, form, or language.

Sec. 154.1827. ADMINISTRATIVE ADJUSTMENT OF MEDICAL SUPPORT ORDER. (a) Authorizes OAG, in a Title IV-D case in which a medical support order

requires that a child be enrolled in a health care program under Section 154.1826, to administratively adjust the order as necessary to reflect changes in the amount of premium costs associated with the child's enrollment.

(b) Requires OAG to provide notice of administrative adjustment to the obligor and the clerk of the court that rendered the order.

SECTION 3. Effective date: September 1, 2009.

Effective date, SECTION 2: upon passage or September 1, 2009.