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FOC: DEPENDENT HEALTH CARE COVERAGE INFORMATION ACCESS

**House Bill 4222 as passed by the House
Second Analysis (4-2-97)**

**Sponsor: Rep. Agnes Dobronski
Committee: Judiciary**

THE APPARENT PROBLEM:

The Federal Omnibus Budget Reconciliation Act (OBRA) of 1993 contains various child support legislation requirements that states must meet as a condition of receiving federal funding. These requirements focus on those instances where a court issues a child support order requiring a parent to provide health care coverage for a child, by placing specific requirements on insurers to provide coverage and employers to permit parents to enroll for coverage, when a parent is eligible for family health care insurance.

During the 1995-96 session of the legislature, in an effort to bring the state into compliance with these federal requirements, the state enacted legislation that, among other things, gave the friend of the court (FOC) the authority to request information about dependent health care coverage from a parent's current or former employer. [Note: For further information, see the Senate Fiscal Agency's analysis of Senate Bills 707, et al.] Unfortunately, this authority has not been entirely sufficient to allow the FOC complete access to the information needed to determine whether a parent should be providing dependent health care coverage for his or her child. It has been suggested that the current law's failure to require the cooperation of health insurance coverage providers limits the FOC's ability to obtain pertinent information about dependent health care coverage. It has also been suggested that this "loophole" has also allowed self-insured employers to refuse to provide dependent health care information to the FOC based on their position as insurers.

In order to assist the FOC in its efforts to force the compliance of a parent who has failed to obey a court order requiring him or her to obtain or maintain health care coverage for a dependent child, legislation has been offered to allow the FOC to petition either the health care coverage provider or the employer for the necessary information regarding dependent health care coverage.

House Bill 4222 (4-2-97)

THE CONTENT OF THE BILL:

House Bill 4222 would amend the Friend of the Court Act to increase the friend of the court's (FOC) access to information about dependent health care coverage available to a custodial or non-custodial parent as a benefit of his or her employment.

Currently, the act requires an employer or former employer to provide, at the request of the FOC, information about dependent health care coverage available to the custodial or non-custodial parent through his or her employment. The bill would provide that when such information was requested by the FOC, the employer or former employer would be specifically required to include information about the various benefits and options available for the parent's dependents along with the costs of those benefits and options.

In addition, the bill would provide that the FOC could require the same information about available benefits and options and their costs from an insurer, health maintenance organization, health care corporation, or any other person that provides health care coverage for any parent who was subject to an order to obtain and maintain health care coverage for his or her child.

The bill would take effect October 1, 1997.

MCL 552.518

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would lead to decreased state costs by reducing the state's share of Medicaid expenditures. However, the amount of decreased state costs would be indeterminable due to the unknown number of persons that would be affected. The bill would not affect local costs or revenues nor would it affect state revenues. (3-5-97)

ARGUMENTS:

For:

In the time since the laws giving the FOC the authority to require employers to provide dependent health care information were enacted, the FOC has discovered that these provisions are not always adequate. The bill will make it easier for the FOC to gather information regarding the availability and cost of dependent health care coverage. Although in some cases insurers have been willing to assist the FOC with its investigations, since insurers are not covered by the current law many have refused to provide the FOC with any information. Many self-insured employers have also refused to comply with requests from the FOC for information about benefits and options available for dependents under their health care plans based upon their standing as insurers. The bill, by requiring health care coverage providers and self-insured employers to provide dependent health care coverage information, will increase the FOC's ability to enforce court orders requiring a parent to provide health care coverage for a child.

Against:

First, it should be noted that the bill is unnecessary because most health care coverage providers already cooperate with the FOC when it seeks information about the availability of dependent health care coverage. Further, the bill places requirements upon health care coverage providers but offers no means of dealing with those providers that refuse to comply with the bill's provisions; thus, it leaves the FOC in no better position than it is at present.

POSITIONS:

The Family Law Section - State Bar of Michigan supports the bill. (3-4-97)

The Friend of the Court Association supports the bill. (3-4-97)

Analyst: W. Flory
