

## Department of Planning and Budget 2009 Fiscal Impact Statement

**1. Bill Number:** SB 1237

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

**2. Patron:** Barker, George

**3. Committee:** Passed Both Houses

**4. Title:** Child support; amends guidelines related to provision of health insurance or health care costs

**5. Summary:** The proposed legislation would amend:

- Clarifies that the spouse of a parent obligated to provide health care coverage may pay such cost for the dependent child or children, and that cost will be added to the basic child support obligation;
- Expands the definition of “health care coverage” to include “cash medical support.” Federal regulations require that States address how parents will meet their children’s health care needs when no insurance is available, when the cost of insurance is beyond the reasonable means of the parents, or where the cost is unreimbursed by insurance. In the near future the federal Office of Child Support Enforcement (OCSE) will begin holding state IV-D agencies accountable for new Medical Support Indicator measures and will add data reliability in this area to the factors that determine federal incentive monies;
- Clarifies that employers are required to notify the Division of Child Support Enforcement (DCSE) when the parent providing health care coverage for the children is terminated. (This Code section currently only requires such notification when the noncustodial parent is terminated.) Federal and state law mandate that both custodial and noncustodial parents may be required to provide health care coverage for their children; and
- Ensures that Temporary Assistance for Needy Families (TANF) child support orders are reviewed every 3 years and adjusted if appropriate.

**6. Minimal Fiscal Impact**

**7. Budget Amendment Necessary:** No

**8. Fiscal Implications:** The Department of Social Services maintains that all child support orders will have to be reviewed and potentially modified to accommodate changes mandated by the legislation. However, all orders are currently reviewed at least once every 36 months. Temporary contract workers or overtime will be used to accomplish the additional needed reviews. This one-time cost will be absorbed through mandatory staffing vacancies and other economies.

The “department sponsored health insurance” will be provided by a third party insurance company which the Department can provide parents access to through its participation in a

multi-state consortium. All premiums and costs of providing the insurance are the responsibility of both the custodial and non-custodial parents.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Social Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** The provisions of SB 1237 are requirements of the federal Deficit Reduction Act (DRA) of 2005, as mandated in 42 U.S.C. 666. There is a potential loss of federal funding for the Virginia Child Support Enforcement Program if DCSE is found to be out of compliance with the OCSE IV-D State Plan.

**Date:** 3/6/2009

**Document:** G:\2009 Fiscal Year\EFIS\Enrolled\SB1237er.Doc

cc: Secretary of Health and Human Resources