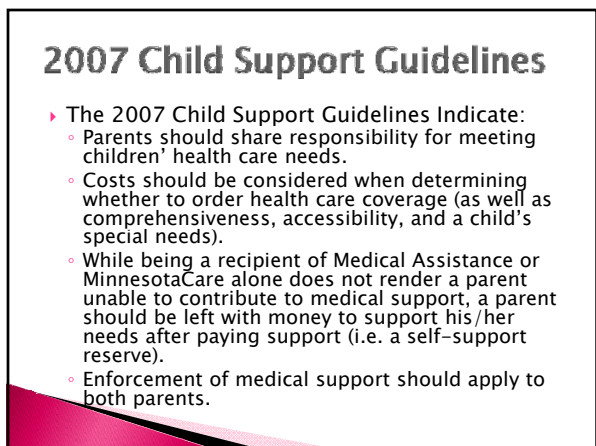


- ▶ The 2007 Medical Support Statute Has:
 - A Definitions Section;
 - Criteria for Determining Appropriate Health Care Coverage;
 - Criteria for Ordering Coverage;
 - An Offset; and
 - Procedures for Collecting Unreimbursed or Uninsured Medical Expenses.



- ▶ The 2007 Child Support Guidelines Indicate:
 - Parents should share responsibility for meeting children's health care needs.
 - Costs should be considered when determining whether to order health care coverage (as well as comprehensiveness, accessibility, and a child's special needs).
 - While being a recipient of Medical Assistance or MinnesotaCare alone does not render a parent unable to contribute to medical support, a parent should be left with money to support his/her needs after paying support (i.e. a self-support reserve).
 - Enforcement of medical support should apply to both parents.

Incurred

- ▶ What does “incurred” mean in the Statute?
 - The word “incurred” appears in the statute several times.

Incurred

Minnesota Statute §518A.41, Subd. 1(g) defines “Uninsured medical expenses” as:

- ▶ “A joint child’s reasonable and necessary health-related expenses if the joint child is not covered by a health plan or public coverage when the expenses are **incurred**.”

Minnesota Statute §518A.41, Subd. 1(h) defines “Unreimbursed medical expenses” as:

- ▶ “A joint child’s reasonable and necessary health-related expenses if a joint child is covered by a health plan or public coverage and the plan or coverage does not pay for the total costs of the expenses when the expenses are **incurred**.”

Minnesota Statute §518A.41, Subd. 17(b) states:

- ▶ A party requesting reimbursement of unreimbursed or uninsured medical expense must initiate a request to the other party within two years of the date that the requesting party **incurred** the unreimbursed or uninsured medical expenses.

When Are Expenses “Incurred”?

- ▶ When the service is provided,
- ▶ When the party is billed, or
- ▶ When the bill is paid.

Incurred – Definitions

Merriam-Webster Dictionary defines “incur” as “to become **liable** or **subject** to: bring down upon oneself <*incur* expenses> “

The IRS Says:

▶ As a Deduction:

- “[A] deduction is allowable only to individuals and only with respect to medical expenses **actually paid** during the taxable year, regardless of when the incident or event which occasioned the expenses occurred.”

The IRS Says

With respect to flexible spending accounts:

- ▶ “Medical expenses reimbursed under a health FSA [flexible spending arrangement] must be incurred during the participant’s period of coverage under the FSA. Expenses are treated as having been incurred **when the participant is provided with the medical care** that gives rise to the medical expenses, and not when the participant is formally billed or charged for, or pays for the medical care.” Internal Revenue Service Regulation 1.125-2, Q&A7 (b)(6)

Reimbursement for Expenses

If a medical expense is incurred at the time the service is provided, does the party requesting reimbursement have to show that the medical expense has actually been paid prior to receiving reimbursement or is it sufficient for a party to simply show the service was provided?

Reimbursement for Expenses

- ▶ Minnesota Statute § 518A.41, Subd. 17(e) states:
 - "The affidavit of health care expenses must itemize and document the joint child's unreimbursed or uninsured medical expenses and include copies of all bills, *receipts*, and insurance company explanations of benefits."

Reimbursement for Expenses

- ▶ Minnesota Statute § 518A.41, Subd. 17(g) requires that the public authority receive copies of all bills, *receipts*, and insurance company explanations of benefits.

Reimbursement for Expenses

- ▶ There would be no need to provide receipts if payment was not required. An additional argument is that the statute uses the word "and," generally a conjunctive word. A person can be billed and then the insurance company can cover the bill so the legislature most likely intended that both the bill and if party has insurance, the explanation of benefits, be provided prior to reimbursement. However, the Minnesota Supreme Court has held that the word "and" may be construed as a disjunctive to assure the result intended by the legislature. [*Maytag Co. v. Comm'r of Taxation*, 218 Minn. 460, 463, 17 N.W.2d 37, 39 \(1944\)](#).

Reimbursement for Expenses

- ▶ This assures that the medical provider is actually paid. Otherwise, a party could submit a bill to another party for payment, receive the payment, and then not pay the bill creating problems for the parents who made the payment.

In situations where there is a payment plan (e.g. child has orthodontic expenses and the total bill is \$3000 and CP pays monthly toward the cost, the NCP is liable for his proportionate share of the monthly payment.)

Reimbursement for Expenses

EXAMPLE:

- ▶ NCP has the child and brings the child to the doctor. NCP is billed and submits the bill to CP for reimbursement of CP's portion of the payment. CP pays NCP. However, NCP does not pay the bill. The CP is also listed at the health care provider's office as the person liable for the bill. The health care provider then bills the CP. The healthcare provider indicates to CP that all outstanding bills must be paid prior to the child's next appointment.

Requirements of IV-D Agency

- ▶ What is required by the IV-D agency who receives the affidavit of health care expenses and verifying documents?
- ▶ Is the agent required to go through the bill and match things up and re-do the math to make sure the requesting party added correctly and determined the proportionate share correctly?

NCP Receives Public Health Care Coverage

Should an NCP be ordered to contribute towards the cost of the child's public coverage (MA or MinnesotaCare) if the NCP is on public coverage for himself or herself?

NCP Receives Public Health Care Coverage

- ▶ Minn. Stat. § 518A.41, Subd. 4(f)(2) provides that if the child is on public coverage, the NCP should contribute towards the cost of the public coverage based on the NCP's eligibility for public coverage.
- ▶ There is nothing in the statute that provides an exception for when an NCP is also on public coverage.

NCP Receives Public Health Care Coverage

- ▶ Ramsey County orders the NCP to contribute toward the child's public coverage based on the NCP's eligibility on the MinnesotaCare sliding fee scale, unless the self-support reserve limits or eliminates the NCP's obligation. If the self-support reserve indicates that the NCP does not have ability to pay medical support, then the medical support should be set at \$0.00 on the basis that the self-support reserve, and this is not a deviation.
- ▶ However, when this doesn't seem to result in a "best order", we do a deviation such as offsetting the NCP's own MinnesotaCare premium from the NCP's contribution towards the child's MinnesotaCare premium.

Parties on Medical Assistance

If CP is on MA with the joint child, but also has appropriate health care coverage available (but not in place) through an employer or union, and NCP does not have appropriate health care coverage, should you request that CP carry the health care coverage?

Parties on Medical Assistance

- ▶ Minn. Stat. § 518A.41, Subd. 4(c) states that if only one parent has appropriate health care coverage available, the court must order that parent to carry the coverage.
- ▶ MA has deemed CP eligible for MA knowing that the CP has health care coverage available. We do not second guess this eligibility. Again, we may deviate if there are circumstances where it seems appropriate to order health care coverage.

Parties on Medical Assistance

- ▶ Examples of circumstances that are considered on a case by case basis include cases where CP's health care coverage is extremely inexpensive/affordable, or after the transfer of support the CP may no longer be eligible for MA, or where the NCP's PICS percentage would cover most of the cost of the coverage.

Parties on Medical Assistance

If CP is on MA and NCP is ordered to provide health care coverage – should CP be ordered to contribute towards the costs of NCP's coverage (and vice versa)?

Parties on Medical Assistance

- ▶ Minn. Stat. § 518A.41, Subd. 5 (2007) provides that unless otherwise agreed upon and approved by the court, the cost of health care coverage is to be divided based upon PICS percentages. There are no exceptions for when a parent is receiving MA or MinnesotaCare for himself or herself.
- ▶ Because there is no exception in the statute allowing parties on public health coverage to avoid a contribution toward the cost of the other party's private health care costs, Ramsey County orders that the party contribute to the cost unless the self-support reserve eliminates the obligation.

Parties on Medical Assistance

- ▶ In cases where it is a CP who is ordered to contribute and the CP is a low wage earner, the worker does a manual self-support reserve analysis. If the CP would not owe medical support or would owe less in medical support because of the self-support reserve, then the County asks for a deviation for the CP due to the self-support reserve.
- ▶ While it appears the self-support reserve was designed to apply to basic support obligors, nothing in the law prevents it from being used for medical support obligors. While PRISM is not programmed to do this, a manual calculation can be done, to ensure that we are leaving the medical support obligor with a self-support reserve.

Parties on Medical Assistance

Should a parent be ordered to contribute towards the cost of the child's unreimbursed and uninsured medical and dental expenses if the parent is on public coverage for himself or herself?

Parties on Medical Assistance

- ▶ Minn. Stat. § 518A.41, Subd. 5(a) provides that unless otherwise agreed, the court musts order that the unreimbursed and uninsured medical expenses be divided between the CP and NCP based upon PICS percentages. There are no exceptions for when a parent is receiving MA or MinnesotaCare.
- ▶ The CP or NCP should be ordered to contribute toward the unreimbursed medical and dental expenses based on the CP's or NCP's proportional share of the parties' combined monthly PICS, unless the self support reserve limits or eliminates the obligation. Again in this situation, the worker does a manual self-support reserve analysis. If the CP would not owe medical support or would owe less in medical support because of the self-support reserve, then the County asks for a deviation for the CP due to the self-support reserve.

Low Income Obligor

When a custodial parent has elected to receive medical-only services, and the non-custodial parent's income triggers the self-support reserve, what amount of medical support should the county request?

EXAMPLE 1

Case is medical services only. Both parents earn minimum wage with no other child support obligations or children in their home. The guidelines calculation will calculate following:

- ▶ Support before taking into account the self support reserve:
 - Basic Support = \$280/month
 - Medical Support = \$14/month
- ▶ Support after taking into account the self support reserve:
 - Basic Support = \$167/month
 - Medical Support = \$0/month

Low Income Obligor

- ▶ The federal regulations allow individuals to opt out of any child support services that are unrelated to medical support if the individual is a non-IV-A Medicaid recipient. 45 C.F.R. § 302.33(a)(5).
- ▶ If using the guidelines calculator as in a full-service case, the self support reserve reduces the non-custodial parent's medical support obligation to zero, Ramsey County then asks for a zero obligation in the medical-only case. This occurs despite the fact that basic support is not being ordered because the custodial parent has requested only that medical support be established.

EXAMPLE 1- continued

- ▶ Ramsey County sets support at \$0.00 per month as opposed to \$14 per month. The non-custodial parent may already be providing financial support to the custodial parent through an informal agreement with the custodial parent and we do not want this financial support to stop simply because the non-custodial parent is overextended.

CP On TANF, NCP Is Low Income

If CP is on TANF and has no earned income, how do you apportion the uninsured and unreimbursed health care expenses to NCP whose medical support obligation is kicked out by the self-support reserve? Do you require the NCP to pay 100% of these expenses?

CP On TANF, NCP Is Low Income

- ▶ Minn. Stat. § 518A.41, Subd 5 states that unless otherwise agreed, the court must order that the unreimbursed and uninsured medical expenses be divided between the CP and NCP according to their proportionate share of their monthly combine PICS.
- ▶ If the obligation is a minimum support order, the issue of unreimbursed and uninsured expenses should be reserved and medical support should be set at \$0.00 per month. This is due to the fact that the Obligor is presumed to be unable to pay child care support or medical under Minnesota Statute § 518A.42, Subd. 2.

CP On TANF, NCP Is Low Income

- ▶ Likewise, if the self-support reserve “kicks out” the medical support obligation, the issue of unreimbursed and uninsured expenses is reserved and medical support is set at \$0.00. This includes orders where a NCP earns minimum wage. Deviations are acceptable but must be justified in our affidavit.
- ▶ There are problems with reserving the obligation because when the CP no longer receives public assistance, as a practical matter, she will likely be the one to incur and be liable for the expenses. However, if 100% of the expenses are apportioned to the NCP according to the PICS, the NCP may not know that the CP is no longer receiving public assistance and could potentially be stuck with 100% of these expenses for up to two years.

MA Covers CP's Health Care Costs

If the CP carries health care coverage but is reimbursed by medical assistance as it is cost effective, should NCP's Obligation be determined using the MinnesotaCare chart or by the premium cost paid by the medical assistance and then have the order state that medical support is subject to assignment?

MA Covers CP's Health Care Costs

- ▶ Minn. Stat. §518A.41, Subd. 4(f)(2) states that if the joint child is receiving any form of public coverage, the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of public coverage. The amount of the noncustodial parent's PICS to the premium schedule for public coverage. If the noncustodial parent's PICS meets the eligibility requirements for public coverage, the contribution is the amount the noncustodial parent would pay for the child premium. If the noncustodial parent's PICS exceeds the eligibility requirements for public coverage, the contribution is the amount of the premium for the highest eligible income on the appropriate premium schedule for public coverage.
- ▶ Based on the plain language of the statute, Ramsey County uses the premium schedule and not the actual costs.

Offsets

Do you require that an offset be contingent on the party actually health care coverage in place?

▶ **EXAMPLE:** A motion to set support is served on the parties in May of 2011. The matter comes on for hearing in July of 2011. The order is signed and filed in August of 2011 with a June of 2011 effective date. The order indicates that VP is to carry health care coverage. Health care coverage is put in place through the NCP's employer as of September 1, 2011. Is there an offset for June, July, and August?



Offsets

▶ Unless there is a court order that specifically allows the county to wait for verification before loading the offset, the county must load the offset immediately.

▶ It is best practice to request the court to order a delay in loading the offset until we receive verification, but in order to do so, the County must specifically request this ability in the pleadings.



Offsets

A provision in an order delaying the offset until there is verification that the insurance is in place provides an incentive for the NCP or the CP to get insurance in place as soon as possible and to cooperate in providing proof that the insurance is in place.



Offsets

- ▶ Language
- ▶ “CP’s obligation to contribute towards the cost of health care coverage begins upon verification that NCP has health care coverage in place for the child(ren). CP’s obligation shall begin the first day of the month following the receipt of verification that dependent insurance is in place for the child(ren). If health care coverage is provided and later stops, the public authority may remove the CP’s obligation under Minnesota Statutes 518A.41 or an individual party may file a motion. “

Coverage Issues

- ▶ **Parent ordered to carry health care coverage wants to do so through spouse**
 - Effective DATE, CP/NCP shall obtain and/or maintain health care coverage and dental coverage pursuant to Minn. Stat. 518A.41. CP/NCP may meet this responsibility by providing dependent health care coverage and/or dental coverage through his/her spouse. CP/NCP’s spouse has no obligation to provide health care coverage and/or dental coverage.
- ▶ **Parties Want to Change Who Carries the Health Care Coverage**
 - Stipulation and Order for Modification of Medical Support

What if child will stay on managed care even if NCP provides health care?

- ▶ Child receives public health care coverage, NCP has available health care coverage, but NCP’s coverage will not result in the child being taken off of managed care. Do you order the NCP to carry the health care coverage or do you order the NCP to contribute to public coverage cost?

Public Health Care Coverage and Managed Care

- ▶ Minnesota Statutes provide for managed care for individuals on public health care coverage.
- ▶ See, Minnesota Statutes 256L.12, 256B.035, and 256B.69.

NCP to Carry Health Care or Pay Towards Public Health Care Coverage Costs

- ▶ Per medical assistance workers, a child will not always be taken off of managed care when a NCP is ordered to carry health care coverage. Rather a child is only taken off managed care if the coverage is by certain providers. This means the monthly medical assistance premium continues to be paid for managed care, often at a rate of approximately \$300 – \$600 per month.

HMO's that MA Recognizes:

- ▶ Blue Plus
- ▶ First Plan of MN
- ▶ HealthPartners
- ▶ Medica Health Plan
- ▶ Preferred One Community Health Plan
- ▶ Sanford Health Plan of MN
- ▶ Group Health, Inc
- ▶ UCare MN
- ▶ Metropolitan Health Plan (MHP)
- ▶ Champa
- ▶ TriCare

Public Health Care Coverage and Managed Care

- ▶ Minnesota Statute § 518A.41, Subd. 4(c) states that "If only one parent has appropriate health care coverage providing medical benefits available, the court must order that parent to carry the coverage for the joint child."
- ▶ If the health care coverage is affordable, comprehensive, accessible, and meets the needs of the child, Ramsey County orders the parent to carry the health care coverage even if it does not meet this list.

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STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT
FAMILY COURT DIVISION
OTHER CIVIL – 14
FILE NO.
IV-D NO.

**STIPULATION AND ORDER
FOR MODIFICATION
OF MEDICAL SUPPORT**

CP Name,
CP Role,

AND

Court File No.
IV-D Case No. 0000000000-00

NCP Name,
NCP Role.

The above-entitled matter came before the undersigned judicial officer (without hearing) pursuant to the rules and statutes for the Expedited Child Support Process.

The individual parties in the present matter have signed the stipulation and agree to be bound by the terms of this order. The parties hereto stipulate to and the court duly adopts the following:

Definitions: The County means Ramsey County. The State means the State of Minnesota.

FINDINGS OF FACT

1. NCP Name and CP Name are the parents of the following child(ren) of this action:

Child #1, born etc. if needed

2. CP Name's mailing address is: Street Address 1
Street Address 2, if any
City, State and Zip

3. NCP Name's mailing address is: Street Address 1
 Street Address 2, if any
 City, State and Zip
4. The social security numbers of the parties and child(ren) of this action are listed on the Confidential Information Form on file with the court.
5. CP Name currently receives non-public assistance child support services.
6. NCP Name/CP Name is not a member of the Armed Services of the United States.
7. NCP Name/CP Name is a member of the Armed Services of the United States, but waives his or her rights under the Service members Civil Relief Act with regard to this action, and this matter can proceed in compliance with that Act.
8. NCP Name/CP Name is a member of the Armed Services of the United States and has not waived his or her rights under the Service members Civil Relief Act; counsel has been appointed for NCP Name / CP Name, and the matter may proceed in compliance with that Act.
9. By a prior order dated date, NCP Name was ordered to pay continuing child support in the amount of \$AMT per month. The support has been increased to \$AMT per month due to cost-of-living adjustments.
10. Medical support was set in the prior order date, as follows:
 - Outline the prior order requirements with respect to healthcare coverage, contribution to the cost of premium case, and division of unreimbursed medical and dental expenses.
11. NCP Name and CP Name agree that NCP Name / CP Name no longer needs to provide medical and dental insurance for the joint child(ren). <The parties also agree that NCP

Name / CP Name shall no longer be liable for contributing to the premium cost of this insurance.

12. NCP Name and CP Name agree that the NCP Name / CP Name shall provide medical and dental insurance for the joint child(ren). <The parties agree that NCP Name / CP Name can meet this responsibility by providing dependant health care coverage and dental coverage through his/her spouse's employer.> NCP Name and CP Name also agree that NCP Name / CP Name will pay \$_____ per month toward the premium cost OR the issue of NCP Name / CP Name's contribution to the premium cost shall be reserved OR during the time that NCP Name / oblige maintain dependent health care coverage for the benefit of the joint child(ren), NCP Name / CP Name shall reimburse NCP Name / CP Name a sum equivalent to ___% of the dependent health care coverage for the joint child(ren)'s health and dental insurance.

13. NCP Name and CP Name agree that NCP Name shall pay ___% of the uninsured and unreimbursed health care expenses and CP Name shall Pay ___% of the uninsured and unreimbursed health care expenses. OR The division of unreimbursed health care expenses shall remain as previously ordered. OR The division of unreimbursed health care expenses is reserved until further order.

14. The parties agree to waive the 30-day response time for entry of the order.

CONCLUSIONS OF LAW

1. There has been a substantial change in circumstances and it is appropriate to modify the terms of the prior order pursuant to Minnesota Statutes, section 518A.39, and the Expedited Child Support Rules. The parties agree to change which parent will carry

health care coverage providing medical benefits and agree on the allocation of costs pursuant to Minnesota Statutes, section 518A.41, Subd. 4(d)(3).

Based upon the Findings of Facts and Conclusions of Law, the Child Support Magistrate makes the following:

ORDER

1. Effective date, NCP Name / CP Name responsibility to maintain health care coverage for the joint child(ren) is reserved and NCP Name / CP Name 's responsibility to contribute to the cost of NCP Name / CP Name's health care costs is reserved.
2. Effective date, NCP Name's /CP Name's shall provide health care coverage for the joint child(ren). <NCP Name / CP Name may fulfill this responsibility by providing dependant health care coverage and dental coverage through his/her spouse's employer.> NCP Name / CP Name's responsibility to contribute to the cost of NCP Name / CP Name's health care costs is reserved OR NCP Name / CP Name shall pay \$__ per month for NCP Name / CP Name's portion of medical and dental insurance premiums OR NCP Name / CP Name shall reimburse NCP Name / CP Name a sum equivalent to __% of the dependent health care coverage for the joint child(ren)'s health and dental insurance.
3. NCP Name shall pay __% of the uninsured and unreimbursed health care expenses and CP Name shall Pay __% of the uninsured and unreimbursed health care expenses. OR The division of unreimbursed health care expenses shall remain as previously ordered. OR The division of unreimbursed health care expenses is reserved until further order.
4. The attached Appendix A is incorporated and made a part of this order. The Cost of Living Adjustment will be determined by using the U.S. Department of Labor, Bureau of

Labor Statistics, Consumer Price Index, Minneapolis/St. Paul, for all urban consumers (CPI-U).

5. A copy of this order shall be served by first class U.S. mail upon the parties at their last known mailing addresses, or upon their attorneys, which shall be due and proper service.
6. The NCP Name and the CP Name shall notify the Ramsey County Child Support Enforcement Division in writing of a change of address, residence, employment, or health insurance within seven (7) days of the change. Any later actions brought or notices sent in this case for which personal service is not required may be sent to the address listed for the NCP Name and the CP Name in the Findings of Fact or to the most recent address provided by the NCP Name or CP Name to the County.
7. All other terms of the prior order shall remain in effect unless amended by this order.

Date: _____

NCP Name, NCP's Role

Date: _____

CP Name, CP's Role

Date _____

Assistant Ramsey County Attorney
Attorney License No.:
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50 W. Kellogg Boulevard
St. Paul, Minnesota 55102-1483
Telephone: (651) 266-
Attorney on Behalf of Ramsey County Child Support Enforcement Division

The Court orders that the above stipulation is hereby adopted and approved as the order of this court.

IT IS SO ORDERED

Dated: _____

Child Support Magistrate

NCP NAME STATEMENT

NCP's Name agrees and says that:

1. I am the NCP Role in this action and I have reviewed and approved the Order.
2. I understand that the County Child Support Office, the County Attorney's Office and other employees of the County do not represent me and cannot give me legal advice.
3. I know I have the right to have an attorney of my choice represent me.
4. I waive my right to have an attorney of my choice represent me and waive my right to a hearing.
5. I freely and voluntarily sign this agreement.
6. I have been advised that if I willfully do not obey the terms of this Order, the Court may find me in contempt.
7. I agree to the entry of this Order.
8. I acknowledge reviewing a copy of this Order on this date and have been informed I will receive a copy when it has been filed in District Court.

Date: _____

Signature of NCP Name:

CP NAME STATEMENT

CP' Name agrees and says that:

1. I am the CP Role in this action and I have reviewed and approved the Order.
2. I understand that the County Child Support Office, the County Attorney's Office and other employees of the County do not represent me and cannot give me legal advice.
3. I know I have the right to have an attorney of my choice represent me.
4. I waive my right to have an attorney of my choice represent me and waive my right to a hearing.
5. I freely and voluntarily sign this agreement.
6. I agree to the entry of this Order.
7. I acknowledge reviewing a copy of this Order on this date and have been informed I will receive a copy when it has been filed in District Court.

Date: _____

Signature of CP Name:
