

**The Affordable Care Act
Implementation in
Minnesota Child Support:
Legal Considerations**

MFSRC
September 30, 2014

- Goals of Presentation**
- Thinking differently
 - Different federal guidance
 - Things change
 - Fluid idea generation because things change

- Legal
Confines/Constraints/Considerations**
- ACA Law vs. MN Law have some shared public policy objectives and some different points of view

Comparison of Laws

Affordable Care Act Law	Minnesota State Law
Obtain coverage	Obtain coverage and contribution
Enforce with tax consequences	Enforce by court action
Tax household relationships	Appropriateness of coverage (hierarchy of coverage)

Hierarchy of Coverage Differences

- Minnesota's Medical Support Laws – prefer that one parent provides coverage after certain considerations
- ACA – Parent who claims the child on federal taxes must ensure the child is insured

MN Law - Hierarchy of Coverage

- Very, very simply stated (please read Minn. Stat. § 518A.41)
 - Child already covered – Continue that coverage unless someone requests otherwise
 - Child not covered - Who has coverage available?
 - One parent – That parent is ordered to cover
 - Both parents – The parent with more appropriate coverage is ordered to cover. If the same, preference for the custodial parent
 - Child receives PA – NCP must contribute towards the costs. Use the MinnesotaCare Premium Table to determine contribution

Cost of Coverage

- Cost is still a relevant consideration in both MN Law and the ACA
 - Under the ACA:
 - Different percentages
 - Are applied to different measures of income
 - For different purposes

Cost of Coverage Comparison of Laws

	Percentage	Income	Purpose
Minnesota Law	5%	Gross Income	Order Coverage?
ACA– Individual	8%	Household Income	Avoid Penalty?
ACA–Large Employer	9.5%	Household Income	Employer Plan Affordable?

Household Composition

- Household composition as considered in cost of coverage
 - MN Laws – Not relevant
 - Income of other people living in the household is not considered (i.e. new spouse, significant other, adult child living in the home)
 - ACA – Relevant
 - Income for all people living in the household is considered, including that of a new spouse, significant other, or adult child
 - Household size is important for the Advance Premium Tax Credits

What is a child?

- MN Laws
 - Child support (including medical support) continues until child turns 18 or 20 if still attending secondary school, with some limited exceptions. If the court orders health care coverage through age 25, IV-D child support enforcement stops at emancipation (unless the case has some of the limited exceptions)
- ACA
 - Parent can provide coverage through age 25 for a "child"

What is a child? Continued

- If the court orders continued healthcare coverage through age 25
 - If a parent needs to enforce medical support after emancipation, they will have to do so outside of the IV-D child support system (thus outside of the Expedited Process)
 - The ACA does not change the IV-D requirement of having a "child" on the case (except when continuing to collect arrears)

Some ACA Tax Implications

- ACA provides opportunities for coverage
- Tensions with current conventional IV-D medical support enforcement due to tax implications
 - Tax household changes
 - IV-D enforcing against NCP – NCP claims the deduction
 - IV-D enforcing against NCP – CP claims the deduction
 - "Gap" cases
 - Other deduction issues
 - a/k/a "The Old Switcheroo"

Collecting PA and No More

- Lack of Interface Issues:
 - Expenditures unknown
 - Since the county cannot collect and keep more than it expends for Medical Assistance (MA) and it is unknown whether MA can keep what IV-D collects, this is a problem

**Practical
Confines/Constraints/Considerations**

- Client needs
- Client situations
- The system
- The IV-D program

Updates

- MinnesotaCare Sliding Fee Scale Gone
 - Replaced with Minnesota Care Premium Table
 - \$50 cap per household member
- 3 Groups Update
 - Group 1 cases should be closed
 - Group 2 cases continue to grow as families apply for MA through MNsure
 - Group 3 cases remain steady

Updates Continued

- Retroactive Medical Assistance
 - Referrals should no longer be sent from MAXIS to PRISM
 - If you receive one, it was referred in error
- Former MinnesotaCare Conversion
 - Adults are on Interim MA (IMA), children are on MA
 - CSOs are likely seeing closing codes stating that the children are eligible for MNsure

Updates Continued

- Legislative Ideas
 - Remove references to MinnesotaCare as assigned public assistance
- Additional definitions
 - Medical coverage
 - Public assistance
 - Fulltime work
- Modification changes
 - Medical only
 - Taxes
- If NCP on MA, no obligation to reimburse for child's MA

Updates Continued

- Interface
 - Not operational yet
 - PRISM team continues to work with the larger MNsure team to determine the priority of the MNsure-PRISM interface
- ACA Page on SIR

Different Way of Thinking

- The federal structure of healthcare coverage has changed significantly
- We need to think significantly differently about IV-D's role in health care coverage

Different Way of Thinking

- What information is reasonably available and reliable?
- What works for the family? What is truly best for the child?
- Has there been a shift in the goals of ensuring healthcare coverage for children from private coverage through a parent to simply ensuring healthcare coverage?
- Consider that the Minnesota Medical Support Law was developed based on a 1998 National Medical Support Report.
 - Very few of the recommendations from the report were adopted in Federal Law. Minnesota adopted many of the recommendations in the 2007 Guidelines Act. The Affordable Care Act has been passed and implemented since then.

Different Way of Thinking

- What is the most effective function for the IV-D program?
- See the California Affordable Care Act Child Support Workgroup Report (July 10, 2013)
 - None of our beeswax option
 - Show me the money option
 - Got coverage option
 - Full meal deal option

Interesting Reading

- *California Affordable Care Act Child Support Workgroup Report (July 10, 2013)*
 - California Child Support Directors Association (CSDA) and HMS
- *Time to Re-Think Medical Support: Impact of the Affordable Care Act on Child Support*
 - Robert G. Williams, Ph.D, Veritas
- *Medical Support in Today's Child Support Guidelines and the Affordable Care Act*
 - Jane Venohr, Ph.D., Center for Policy Research

Draft Child Support Fact Sheets

- Child Support and the Affordable Care Act: Health Insurance Affordability
- Child Support and the Affordable Care Act: Premium Tax Credits and Cost Sharing
- Child Support and the Affordable Care Act: IRS Considerations
- Child Support and the Affordable Care Act: Tribal Considerations

Draft Child Support Fact Sheets

- Child Support and the Affordable Care Act: Plan Adequacy
- Child Support and the Affordable Care Act: Medicaid
- Child Support and the Affordable Care Act: Who can apply for health insurance through the Marketplace?
- Child Support and the Affordable Care Act: Employer Questions

Fact Patterns

- If you are an overachiever and review this before the presentation – stop reading now, we want your fresh thoughts
- Open your minds to different possibilities than what you did last year before the ACA
- Collaborate as a group
- Generate ideas and questions
- Report back

Scenario #1

- The NCP was unemployed and recently started working at a new job. NCP does not have an offer of affordable employer-sponsored health care coverage.
- The CP is employed, but does not have offer of affordable employer-sponsored health care coverage.
- The child is covered by Medicaid.

Scenario #1

- a) What is your recommendation if no order has been established?
- b) What is your recommendation if an order was established and the NCP was ordered to carry the coverage?
- c) Does your answer to either of the above change if the CP has employer-sponsored medical insurance, but the CP chose coverage through the Marketplace as a more affordable or cost-effective option?

Scenario # 2

- The NCP is covered by Medicaid for himself and his new family.
- The CP and child are both covered by Medicaid, in a household separate from the NCP.

Scenario #2

- a) What is your recommendation if no order has been established?
- b) What is your recommendation if an order was established and the NCP was ordered to carry the coverage?
- c) Does your answer to either of the above change if the NCP has employer-sponsored health care coverage, but the NCP chose coverage through the Marketplace as a more affordable option and was deemed eligible for Medicaid?

Scenario #3

- The NCP is employed and has an offer of affordable employer-sponsored health care coverage for himself and a non-joint child.
- The CP is employed, and does not have an offer of employer-sponsored health care coverage for herself or the joint child.
- The CP claims the joint child as a dependent for federal tax purposes.
- The joint child is covered by a Marketplace plan, purchased by the CP using Premium Tax Credits available to her, based on the size and income of her household.

Scenario #3

- a) What is your recommendation if no order has been established?
- b) What is your recommendation if an order was established and the NCP was ordered to carry the coverage?
- c) Does it matter whether the NCP lives in the same state as the CP or in a state way across the country?

Scenario #4

- The NCP is employed, and has employer-sponsored health care coverage for himself and the joint child.
 - It is adequate and affordable.
 - The NCP's household's health care coverage costs are less than 8% of the household's modified adjusted gross income, so they won't be exempt from any shared responsibility payment should they go without coverage.
- The NCP claims the child for federal tax purposes.
- The CP does not have employer-offered health care coverage.
- The joint child is not eligible for Medicaid or CHIP.
- The CP wants to switch the child's health care coverage from the NCP's employer-sponsored plan, to a Marketplace plan that would be more convenient to use.

Scenario #4

- a) What is your recommendation?
- b) Does it matter what "convenience" means?
- c) What if the support order includes the provision that "medical support for the child is to be provided by either or both parents".

Scenario #5

- The NCP has employer-sponsored health care coverage available to him and in place. The plan costs just about 8% of his household income.
- Through their dissolution, the NCP claims the dependency deduction for the joint child for federal tax purposes.
- The dissolution generically ordered that the parent with the best coverage should cover the child. No definition of what that means.
- The CP had affordable employer-sponsored health care coverage available to her, had herself and the child covered through her employer, but recently lost her job.
- The CP has a new job earning 15% more than what she earned at her last job, but the health care coverage would cost her 10% of her household income.
- The child is not eligible for Medicaid.
- The CP can purchase a Marketplace plan for herself and the child that would cost just under 8% of her household income.
- If she claims the dependency deduction for the joint child for federal tax purposes, she would be eligible for premium tax credits that would reduce the cost of the plan to just less than 5% of her household income.

Scenario #5

- a) What is your recommendation if no order has been established?
- b) What is your recommendation if an order was established for the CP to carry the coverage, but NCP filed a motion to modify based on CP's increase income?

Scenario #6

- The NCP has affordable employer-sponsored health care coverage available to him, but does not have it in place because his new wife's health care coverage through her employer is better for their family.
 - The joint child can be added to the health care coverage at no additional cost. The child would have to go to different doctors through this option.
- The CP has affordable employer-sponsored health care coverage available to her, and has herself and the child covered through her employer.
- The CP claims the dependency deduction for the joint child on federal taxes.
- The NCP has met with an accountant and determined that he will have more money available to his household and to pay more child support for the joint child if he claims the joint child on his taxes. NCP has filed a motion to have him cover the child through his wife's employer, and to change the tax dependency status.
- The CP lets you know that she does not want NCP to carry the health care coverage or claim the child because she does not trust NCP.
 - The child has always gone to the same doctors and dentist, and according to the CP, it would be too disruptive to the child to go to different doctors.

Scenario #6

- a) What is your recommendation?
- b) Would your recommendation change if the child is on the Autism Spectrum and the health care professionals who have been working with her for the last 5 years would not be available through the NCP's network?
- c) Does the amount of "more money available" make a difference?

QUESTIONS?

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