



2024 ANNUAL CONFERENCE

Minnesota Family Support & Recovery Council
in partnership with Minnesota County Attorney's Association



Child Support Division Legislative Update

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Agenda

- Medical Support Changes
- Guidelines Changes
- PRISM and Online Calculator Updates
- Questions

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Medical Support Changes



History and Background

- In 2016, the “Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs” (FEM) [final rule](#) was published in the Federal Register.
- The final rule made many changes to the federal regulations governing the child support program, including significant changes to medical support.
- Most importantly, the final rule expanded the definition of “health coverage” to include public coverage.
- OCSS stated that this change will allow states to take advantage of both private and public health care coverage options to meet children’s health care needs.



History and Background

- In response, CSD formed a workgroup composed of both state and county child support professionals.
- In 2018, the workgroup finalized its recommendations on how to ensure compliance with the new federal requirements as well as how to improve the medical support statute overall.
- In 2023, legislative changes to Minnesota's medical support statute, based upon the workgroup's recommendations, were passed with an effective date of January 1, 2025.

Definition of Health Care Coverage



Currently

- Minnesota's definition specifically excludes public coverage, contrary to federal law.

Starting Jan. 1, 2025

- Minnesota's definition of health care coverage includes public coverage.
- Terms "private coverage" and "public coverage" used throughout statute when necessary to distinguish forms of coverage.



Appropriateness of Public Coverage

Currently

- Public coverage NOT considered to be appropriate health care coverage.
- If public coverage is in place, the court must still analyze other private forms of health care coverage that may be available.

Appropriateness of Public Coverage



Starting Jan. 1, 2025

- Public coverage is presumed to be appropriate coverage.
- If public coverage is already in place for child(ren), court shall order it to continue.
- Analysis of private coverage that may be available is no longer required.
- Streamlines medical support establishment process.
- Less disruption for families.



Affordability of Coverage

Currently

- “Affordability” not explicitly defined in statute.
- CSD policy states that health care coverage is affordable if cost to add child(ren) does not exceed 5% of the parents’ combined PICS.
- Orders outside of child support program vary from case to case because of lack of clear definition of affordability.
- Parents often must enroll themselves to comply with the obligation to provide health care coverage for their child(ren).



Affordability of Coverage

Starting Jan. 1, 2025

- “Affordability” defined in statute.
- Private coverage is affordable if the marginal cost to add the child to the health care coverage premium does not exceed 5% of the parents’ combined PICS.
- Courts may consider high deductibles and the cost to enroll the parent if the parent must enroll themselves in private health care coverage to access private health care coverage for the child.

Suspension and Resumption of Medical Support Contribution



Currently

- Minnesota law allows for administrative removal of custodial parent's medical support contribution, (a.k.a. medical support offset), when noncustodial parent no longer provides health care coverage.
- Same is not true when roles are reversed, there is no way to administratively suspend the noncustodial parent's medical support contribution when the coverage lapses.

Suspension and Resumption of Medical Support Contribution



Starting Jan. 1, 2025

- New statutory provision mirrors the administrative removal of the custodial parent's medical support contribution when noncustodial parent is no longer providing private coverage.
- Provision also provides for an administrative resumption of the contribution when private coverage resumes.
- Parties will have the ability to contest the removal/resumption of the medical support contribution.



Determining NCP's Eligibility for Public Coverage

Currently

- Minnesota law provides that if noncustodial parent's PICS meet the eligibility requirement for public coverage, he or she is not to be ordered to contribute to cost of public coverage.
- True eligibility standards for Medical Assistance (MA) are not used.
- Minnesota Child Support Calculator is programmed to use noncustodial parent's PICS on the Medical Assistance Eligibility Chart for a household of one.
- Eligibility standards employed by MA workers are very complicated and would be difficult for child support workers to take on.



Determining NCP's Eligibility for Public Coverage

Starting Jan. 1, 2025

- “Eligibility” standard is replaced with an income amount that is easily determined.
- If the noncustodial parent's PICS is less than 200 percent of the federal poverty guidelines for one person or the noncustodial parent receives public assistance, the noncustodial parent must not be ordered to contribute toward the cost of public health care coverage.

Unreimbursed/Uninsured Expenses



Currently

- Phrase “unreimbursed/uninsured medical expenses” is used in Minnesota’s medical support statute.

Starting Jan. 1, 2025

- Expenses will be referred to as “unreimbursed/uninsured health-related expenses”.



For More Information

- Check out tomorrow's Medical Support Overview session from 9:00 AM to 10 AM.
- Session will provide:
 - An overview of medical support and Minn. Stat. § 518A.41.
 - In-depth information about the legislative updates effective January 1, 2025.
 - Practical advice for common issues IV-D participants face in establishing and enforcing medical support.



Guidelines Changes



History and Background

- The upcoming changes to the guidelines are the result of various recommendations made by the Comprehensive Legal Vision (CLV) Guidelines Group.



Recipients of Needs-Based Assistance



Currently

- A parent is or may be considered voluntarily unemployed or underemployed if receiving:
 - General Assistance (GA)
 - State-funded Minnesota Family Investment Program (MFIP)
- Parents receiving these benefits may have potential income imputed to them.
- Parents receiving these benefits are also subject to the minimum support amount.



Recipients of Needs-Based Assistance

Starting Jan. 1, 2025

- A parent will not be considered voluntarily unemployed or underemployed when the parent receives:
 - General Assistance (GA)
 - Supplemental Security Income (SSI)
 - MFIP (Both state and federally funded)
- Actual income a parent may have will be used in the calculation, but additional income will not be imputed.
- A minimum support obligation will not apply when the obligor does not earn any additional income.



Derivative Benefits and the Self-Support Reserve

Currently

- Social Security or Veteran's Derivative benefits are included in the eligible parent's Parental Income for Determining Child Support (PICS), when the other parent is the representative payee and receives the benefits on behalf of the child.
- This means that when the self-support reserve is subtracted from the eligible parent's PICS to determine the "Income Available for Support", it includes income that is not actually in the eligible parent's home.



Derivative Benefits and the Self-Support Reserve

Starting Jan. 1, 2025

- Social Security or Veteran's Derivative Benefits will be subtracted from obligor's PICS before subtracting the self-support reserve.

Derivative Benefits and Arrears



Currently

- There are times when an obligor is awarded RSDI after a significant delay and then lump sum payments for the child may be received by the other parent.
- During this delay, an obligor may accrue arrears, however, in 2015 the Minnesota Supreme Court ruled that a lump sum RSDI payment received by the other parent may not be used to satisfy these child support arrears.
- The court stated, “the Legislature could have provided an alternative mechanism to accommodate the commencement of derivative Social Security benefits, but it did not.”



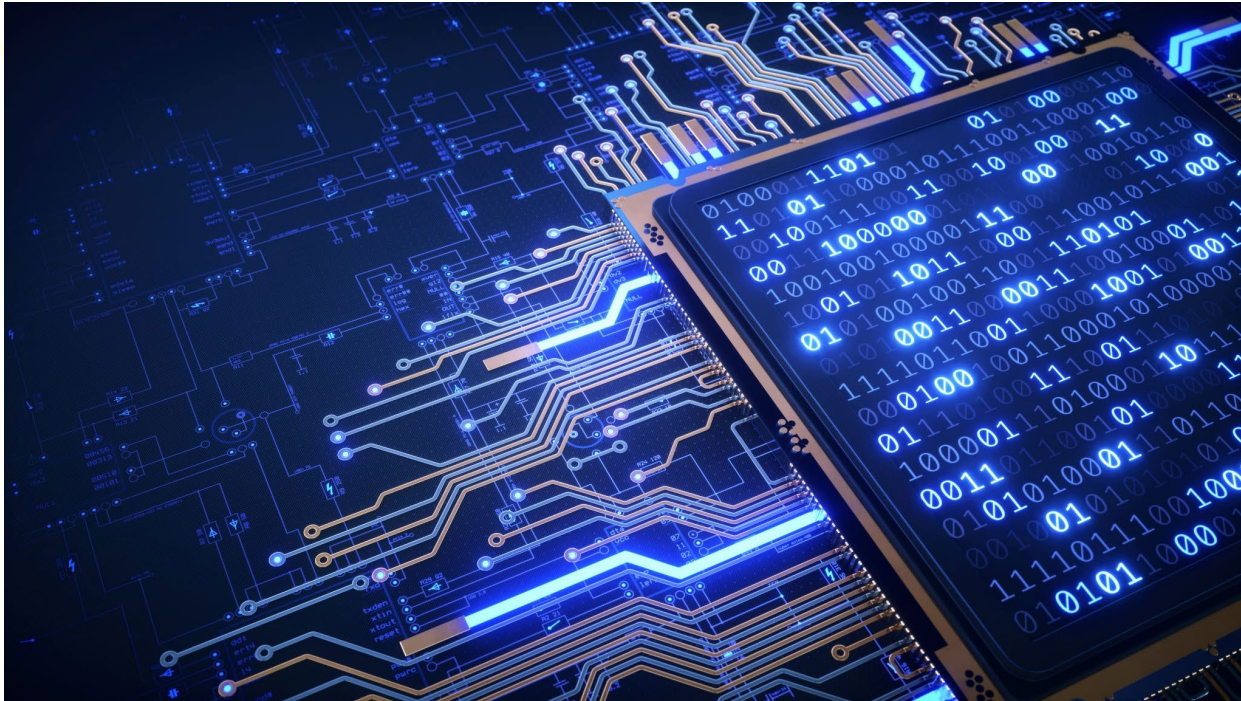
Derivative Benefits and Arrears

Starting Jan. 1, 2025

- Lump sum payment may be used to satisfy arrears upon a motion when:
 - The derivative benefit was not considered in the previous guideline calculation; and
 - The arrears accrued during the benefit period only.

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Updates to PRISM and Online Calculator

Updates to PRISM and Online Calculator



- On-demand eLearning module on the 2025 legislative changes is now available.
- Two “Office Hours” sessions will be offered on:
 - Tuesday, October 15, 1:00 PM to 2:00 PM
 - Thursday, October 24, 9:00 AM to 10:00 AM
- PRISM updates to the GUWD screen, DORD and CORD will go into production in late October.
- Updates to the online Minnesota Child Support Calculator will go live in early January of 2025.

Questions?



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Thank you!

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