



ERICSA 2014: *TAKING FLIGHT*  
for Children and Families



# Federal Updates: Medical Support and ACA

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# Overview

- ❖ Summary of relevant provisions in the Affordable Care Act
- ❖ Recap of OCSE policy guidance
- ❖ Alignment with the ACA
- ❖ Future considerations



# Parents and children have access to new, affordable coverage options

- ❖ State marketplaces provide Premium Tax Credits and Cost Sharing Subsidies
- ❖ Larger employers share responsibility for offering health care coverage.
- ❖ State option to expand Medicaid coverage to everyone below 138% of poverty.



# Parents are responsible for covering themselves and their tax dependents.

- ❖ Parents may meet this responsibility through employer-sponsored coverage, Medicaid, CHIP, Marketplace coverage, TriCare, and other plans.
- ❖ The parent who can claim the child as a federal tax dependent is responsible for demonstrating that the child has coverage.
- ❖ Exceptions and exemptions exist.



# Parents are exempt from this responsibility if:

- ❖ Affordable quality employer coverage is not available
- ❖ Income is below the federal tax filing threshold
- ❖ Member of an Indian tribe
- ❖ Only 1 gap in coverage that lasts less than 3 months in a year
- ❖ Religious reasons
- ❖ Hardship as defined by the Secretary of HHS

# Parents are exempt from this responsibility if:



They experience a hardship as defined by the Secretary of HHS.

Federally-facilitated marketplaces will exempt a child:

- for whom a party other than the party who expects to claim the child as a tax dependent is required by court order to provide medical support,

*and*

- who is not eligible for Medicaid and CHIP—must show evidence of ineligibility.



# The Affordable Care Act does not amend Title IV-D.

- ❖ Child support agencies still have the same medical support responsibilities under statute.
  
- ❖ Employers' medical support responsibilities have not changed.



# OCSE Policy Since ACA

- ❖ AT-10-02: Holding States Harmless from Penalties for Failure to Comply with Medical Support Final Rule State Plan Requirements
- ❖ AT-10-10: Increasing State Flexibility to Improve Interoperability with Medicaid & CHIP
- ❖ PIQ-12-02: Partnering with other programs, including outreach, referral, and case management activities
- ❖ IM-14-01: Medicaid Referrals to the IV-D Agency





# AT-10-10: Increasing State Flexibility...

States have the option to:

1. update medical support policies to enhance collaboration with Medicaid and CHIP to improve enrollment of eligible children
  - includes the option to define medical support to **include private health insurance as well as other health care coverage such as Medicaid, CHIP, and other state coverage plans, and cash medical support;** and/or
2. otherwise update medical support guidelines, including modifying the definition of “**reasonable cost**”; and/or
3. continue current and planned policies and practices

must continue to provide medical child support enforcement services in compliance with all statutory requirements



# PIQ-12-02: Partnering...

Child support programs can increase health care coverage in the following ways:

- ❖ Provide information about, applications for, and effective referrals to Medicaid, CHIP, and Exchanges/Marketplace
- ❖ Use medical support facilitators or liaisons
- ❖ Provide information to CHIP and Medicaid to assist in enrollment.



# PIQ-12-02: Partnering...

- ❖ Develop Child Support referral policies for families who receive Medicaid, and child support education and outreach for families whose children are on CHIP
- ❖ Cross-train Child Support, Medicaid, and CHIP workers
- ❖ Train judges, attorneys, and other Child Support staff on health care coverage options



# PIQ-12-02: Partnering...

- ❖ Refer noncustodial and custodial *parents* to Medicaid, Marketplace, and other health care
- ❖ Share outreach materials and information, and collaborate with Medicaid and CHIP to connect children to health coverage



# IM-14-01: Medicaid Referrals...

Child support programs in some states may receive more Medicaid referrals overall and in particular may receive more inappropriate referrals. Referrals may be inappropriate because:

- ❖ the case referred does not actually include a custodial parent and child support-eligible child;
- ❖ the referral does not include sufficient information to identify a noncustodial parent; and/or
- ❖ domestic violence is present but the parent did not have appropriate opportunity to claim good cause.



# IM-14-01: Medicaid Referrals...

State child support and Medicaid agencies should work together to define referral criteria to ensure only appropriate Medicaid cases are referred to the child support agency.

- ❖ There is no requirement for the state Medicaid agency to refer all Medicaid cases to the child support program
- ❖ While establishing or updating Medicaid referral policies, States should consider cost effectiveness, safety, and the desired child support outcomes for the family.



# IM-14-01: Medicaid Referrals...

Strategies that Medicaid and child support agencies may use.

- ❖ The state Medicaid and child support agencies may work together to define the Medicaid cases that would be appropriate for referral to the child support agency. This may include considerations around:
  - cost effectiveness of the referral,
  - safety
  - benefits to the state and the family
  - the present ability of the Medicaid agency to collect sufficient information about a noncustodial parent after they have determined eligibility for Medicaid based on the information provided in the streamlined application.



# IM-14-01: Medicaid Referrals...

- ❖ A state may develop a process (automated or manual) by which the child support agency does not accept inappropriate and incomplete Medicaid referrals – that is, these referrals should be returned to the Medicaid agency without the child support agency opening a corresponding case.

The child support agency should ensure that their statewide system is not automatically opening Medicaid-only cases without adequate information about the noncustodial parent.





# IM-14-01: Medicaid Referrals...

- ❖ A state may determine that the Medicaid agency will not make automatic referrals to the child support agency. The Medicaid agency should be encouraged to refer or provide information about accessing child support services to families that are interested in or might benefit from child support services.
  
- ❖ If the child support agency will continue receiving Medicaid-only referrals, the child support agency should work with their Medicaid counterpart to establish the expectations, processes, and timeframes regarding the Medicaid agency gathering data required to make the referral a valid referral.
  - identifying information for the noncustodial parent
  - good cause determination



# Aligning with ACA





# Aligning with ACA

Assure that the parent who is responsible for providing coverage is the same parent who claims the child as dependent on their federal tax return.



# Aligning with ACA

Define medical support to exclude coverage that is not considered “minimum essential coverage” under the ACA.

- ❖ State insurance law may already address this.



# Aligning with ACA

Define medical support to include Medicaid, CHIP, and Marketplace coverage.

- ❖ Marketplace will assess eligibility for: Medicaid, CHIP, and premium tax credits.
- ❖ If a child is Medicaid- or CHIP-eligible, their parents can't get subsidies for Marketplace coverage.
- ❖ If a child is Medicaid- or CHIP-eligible, their parents can't get a medical support hardship exemption.



# Aligning with ACA

Update the definition of reasonable cost.

- ❖ Under the Affordable Care Act's individual responsibility requirements, coverage is not considered affordable if the premium is more than *eight percent* of household income.
- ❖ Marketplaces use a sliding scale to determine what individuals under 400% FPL should contribute for coverage.
- ❖ If income is below the federal tax filing threshold, you are exempt from the requirement to have coverage.



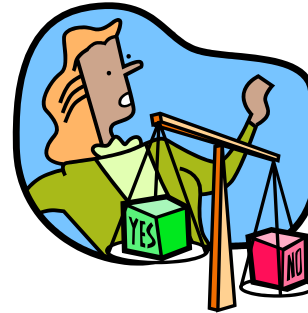
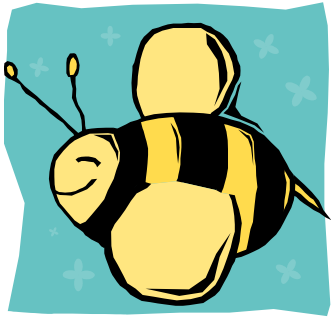
# Some Potential Options for Medical Support Policy





# In the future...

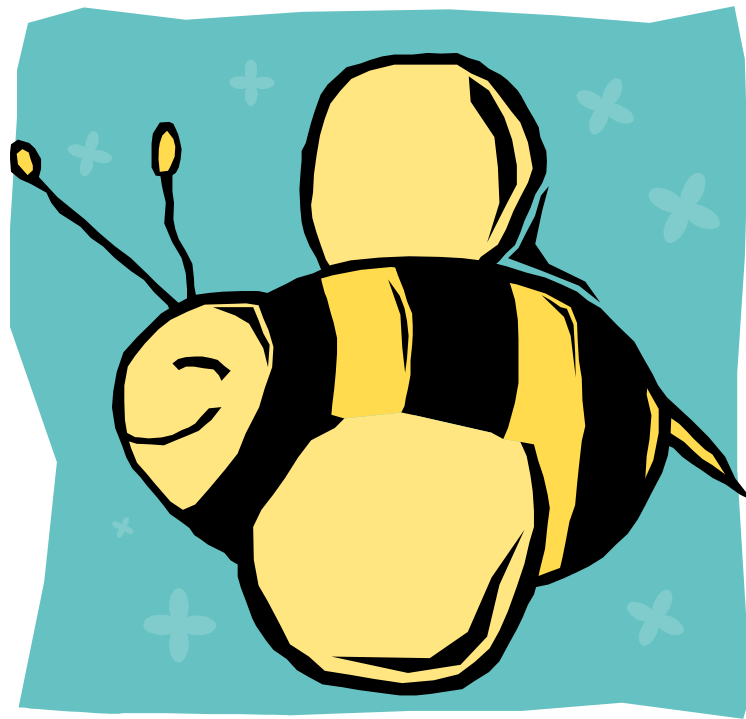
## What is the most effective role for the Child Support Program?







# None of Our Beeswax Option





# Show Me the Money Option (Guidelines Cost Allocation)





# “Got Coverage?” Option





# Full Treatment Option





# OCSE Fact Sheet Series

- ❖ Premium Tax Credits and Cost Sharing Reductions
- ❖ IRS considerations: exemptions and tax penalties
- ❖ Marketplace plan costs
- ❖ Medicaid
- ❖ Medical Support Basics
- ❖ Who can purchase insurance through the Marketplace?
- ❖ Tribes



# Questions and Information

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