

HOUSE BILL NO. 79

INTRODUCED BY J. BROWN

BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

JANUARY 5, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON JUDICIARY.

JANUARY 23, 1987 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

JANUARY 24, 1987 PRINTING REPORT.

JANUARY 26, 1987 SECOND READING, DO PASS.

JANUARY 27, 1987 ENGROSSING REPORT.

 THIRD READING, PASSED.
 AYES, 93; NOES, 6.

 TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 28, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON JUDICIARY.

MARCH 5, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 9, 1987 SECOND READING, CONCURRED IN.

MARCH 11, 1987 THIRD READING, CONCURRED IN.
 AYES, 47; NOES, 3.

 RETURNED TO HOUSE.

IN THE HOUSE

MARCH 12, 1987 RECEIVED FROM SENATE.

 SENT TO ENROLLING.

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 2 INTRODUCED BY J. BROWN
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 5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
 6 DEPARTMENT OF REVENUE TO ADMINISTRATIVELY ESTABLISH AND
 7 ENFORCE HEALTH INSURANCE COVERAGE IN CASES WHEN CHILD
 8 SUPPORT IS BEING ENFORCED BY THE DEPARTMENT."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Medical support obligation enforcement. (1)
 12 In all proceedings initiated pursuant to this part, the
 13 department shall require parents obligated to pay child
 14 support to secure and maintain health insurance coverage for
 15 each dependent child, at a cost not to exceed 5% of net
 16 income, whenever such health insurance is available through
 17 an employer, group, or organization. However, if a court of
 18 competent jurisdiction has entered an order establishing a
 19 current support obligation and has ordered the obligated
 20 parent to secure and maintain health insurance coverage for
 21 each dependent child, the department shall enforce the
 22 obligation as ordered by the court.

23 (2) If the department determines that an obligated
 24 parent has failed to maintain health insurance coverage
 25 required by the order of a court of competent jurisdiction

1 or an administrative agency empowered to enter such order,
 2 it may issue a notice commanding the parent to appear at a
 3 hearing held by the department and show cause why a sum of
 4 not more than \$100 should not be assessed for each month
 5 health insurance coverage is not secured or maintained. If
 6 the department finds, after hearing or failure to appear,
 7 that health insurance coverage has not been secured or
 8 maintained in accordance with the court or administrative
 9 order, the department may assess against the obligated
 10 parent not more than \$100 for each month health insurance
 11 coverage has not been secured or maintained. Such amounts
 12 may be enforced by warrant for distraint provided for in
 13 40-5-241.

14 (3) Whenever an obligated parent who has been served
 15 with notice under this section appears before the department
 16 and shows that health insurance coverage in accordance with
 17 the court or administrative order:

18 (a) has been secured and maintained continuously since
 19 the date of the order, the department shall dismiss the
 20 pending action; or

21 (b) has not been secured or continuously maintained
 22 but such coverage is presently in effect, the department
 23 shall suspend the pending action for a period of 12 months.

24 (4) At the end of the suspension period, the
 25 department may schedule a hearing. If at this hearing the



-2- **INTRODUCED BILL**
#8-79

1 department finds that during the suspension period health
2 insurance coverage:

3 (a) has been continuously maintained, the department
4 shall dismiss the pending action and the obligated parent
5 will not be assessed under this section; or

6 (b) has not been continuously maintained, the
7 department may enter a final order requiring the obligated
8 parent to pay the sum assessed in accordance with this
9 section for each month coverage was not maintained.

10 (5) Any amounts collected pursuant to this section
11 must be returned to the general fund to help offset
12 expenditures for medicaid.

13 Section 2. Extension of authority. Any existing
14 authority of the department of revenue to make rules on the
15 subject of the provisions of this act is extended to the
16 provisions of this act.

17 Section 3. Codification instruction. Section 1 is
18 intended to be codified as an integral part of Title 40,
19 chapter 5, part 2, and the provisions of Title 40, chapter
20 5, part 2, apply to section 1.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB079, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act authorizing the Department of Revenue to administratively establish and enforce health insurance coverage in cases when child support is being enforced by the Department.

ASSUMPTIONS:

1. The AFDC caseload will be 10,124 cases in FY88 and 10,788 in FY89.
2. Of these, about 43% will be entitled to receive child support; about 4,353 cases in FY88 and 4,639 in FY89.
3. The Department of Revenue will experience some increased workload due to collection of fines imposed on absent parents who are financially able to provide health insurance for their children on AFDC but refuse to do so.
4. The average cost of Medicaid per AFDC eligible child is about \$470 per year. It is estimated that about 40% of the cost goes toward services not traditionally provided by private insurance policies and that such costs would still be paid by Medicaid. Therefore, total savings per AFDC child with access to private insurance would be \$282.

FISCAL IMPACT:

There is inadequate data to estimate the cost savings to the general fund under the proposed law. No data exist as to the number of absent parents with AFDC children that would have access to private insurance, and could afford such coverage for their children. Cost savings in the Medicaid program and increase revenue from fine income should more than offset any increased costs that the Department of Revenue would incur.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

None.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:


This bill will offset some of the state cost of Medicaid for AFDC recipients.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

 DATE 1/10/87

DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

 DATE 1/12/87

JAN BROWN, PRIMARY SPONSOR

Fiscal Note for HB079, as introduced.

HB 79

APPROVED BY COMMITTEE
ON JUDICIARY

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15 each dependent child, at a cost not to exceed 5% of net
16 income, whenever such health insurance is available through
17 ~~an employer, group, or organization~~ THEIR EMPLOYMENT.
18 However, if a court of competent jurisdiction has entered an
19 order establishing a current support obligation and has
20 ordered the obligated parent to secure and maintain health
21 insurance coverage for each dependent child, the department
22 shall enforce the obligation as ordered by the court.

23 (2) If the department determines that an obligated
24 parent has failed to maintain health insurance coverage
25 required by the order of a court of competent jurisdiction

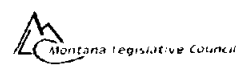
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3 hearing held by the department and show cause why a sum of
4 not more than \$100 should not be assessed for each month
5 health insurance coverage is not secured or maintained. If
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13 40-5-241.

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15 with notice under this section appears before the department
16 and shows that health insurance coverage in accordance with
17 the court or administrative order:

18 (a) has been secured and maintained continuously since
19 the date of the order, the department shall dismiss the
20 pending action; or

21 (b) has not been secured or continuously maintained
22 but such coverage is presently in effect, the department
23 shall suspend the pending action for a period of 12 months.

24 (4) At the end of the suspension period, the
25 department may schedule a hearing. If at this hearing the



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9 section for each month coverage was not maintained.

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14 authority of the department of revenue to make rules on the
15 subject of the provisions of this act is extended to the
16 provisions of this act.

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18 intended to be codified as an integral part of Title 40,
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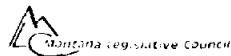
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