

Child Support Health Insurance Orders

Directive #7-94
Issued by:

July 19, 1994
The Supreme Court

This Directive is issued on behalf of the Supreme Court and was approved by the Court at its July 13, 1994 Administrative Conference.

Federal regulations mandate that all states, as part of their child support programs, secure health insurance information and establish and enforce orders requiring parents to maintain health insurance for their children. 45 C.F.R. ' ' 303.30 and 303.31. In addition, the New Jersey Child Support Guidelines (*Rule* 5:6A and Appendix IX-A) provide that all child support orders shall include a provision for health insurance for the children if it is available to either parent at a reasonable cost, unless the parties agree to an alternative health care arrangement. These requirements were considered necessary because of the large number of children who were not receiving medical services of any kind or were being provided government-funded Medicaid health care when health insurance could have been obtained by their parents. In a report issued in June 1992, the United States General Accounting Office indicated that \$122 million in government medical expenditures could be saved annually if all non-custodial parents provided health insurance coverage for their children.

The policy set forth in this Directive has been developed to assist the Family and Probation Divisions in fulfilling the health insurance provisions of the New Jersey Title IV-D Program. I have approved the accompanying procedures that will help ensure that the policy is implemented. **This Directive applies to all Title IV-D child support cases, both dissolution and non-dissolution.** I will amend internal procedures periodically as necessary.

States **must** request health insurance coverage that is available to the non-custodial parent at reasonable cost if the custodial parent is receiving Aid to Families with Dependent Children (AFDC) or Medicaid, unless the children have other health insurance coverage.

Under the federal regulations, 45 C.F.R. ' 303.31(a)(1), "health insurance is considered reasonable in cost if it is employment-related or other group health insurance, regardless of service delivery mechanism." The Rules of Court, in Appendix IX-A(7), contain an almost identical definition. For non-AFDC, non-Medicaid cases the custodial parent must be informed that the non-custodial parent may be ordered to provide health insurance coverage if the custodial parent so requests.

In all new child support cases, Family Division Intake staff should assist parents in requesting that health insurance be part of the child support order. Staff should inform both parents to bring health insurance policy information with them to the child support hearing so that the policy data may be recorded. In existing cases, if the custodial parent requests a health insurance order, Probation should assist that parent in filing and scheduling the motion in the same manner as enforcement motions are handled. In all cases Probation must provide the custodial parent with the health insurance policy information, such as the name of the insurance company and the policy number, so that the services may be utilized. Probation also must request employers of parents who have been ordered to provide health insurance coverage to notify Probation of any lapses in coverage.

Compliance with this Directive is necessary to ensure continued federal funding

of our IV-D program. But even more importantly, implementation of this policy will provide children with access to medical services that were previously unattainable or were supplied at public expense, and will place the obligation to furnish medical benefits for children where that burden should be -- on their parents.

Procedures for Establishing and Enforcing Health Insurance Orders

I. Establishing Health Insurance Orders

Family Division Intake staff must inform non-AFDC, non-Medicaid custodial parents (obligees) that they may request that the non-custodial parent (obligor) be ordered to provide health insurance coverage. This notice will supplement the information contained in the application for IV-D services. Health insurance **must** be requested on behalf of AFDC and Medicaid recipients. Health insurance also **must** be requested in the complaint when custodial parents who do not receive AFDC or Medicaid indicate that they seek such services. All complaints for child support shall include a paragraph requesting health insurance benefits which must be checked off in all AFDC and Medicaid-only cases and those non-AFDC, non-Medicaid cases in which the obligee requests health insurance.

In addition, staff should inform obligees of the provisions of *N.J.S.A. 2A:34-23b*. That statute provides that obligees, if they elect, may send to the obligor's insurance company the section of the order requiring the obligor to provide health insurance. Upon receipt of the order, the insurance company must send payments directly to the health care provider, not the non-custodial parent. The legislation was designed to prevent obligors from keeping health care insurance reimbursements when the children are covered by the obligor's insurance policy. In some cases, after the children received health care, the insurer reimbursed the non-custodial parent, who kept the funds while the custodial parent was billed for these services.

Because the New Jersey Court Rules provide that either or both parents may be ordered to obtain health insurance, **both** parties should be notified to bring health insurance information with them to the hearing. The Health Insurance Information Form, Attachment I, requesting specific health insurance policy information should be sent by Family Division or County Welfare Agency staff with the summons and complaint to **both** parents. At the hearing, the hearing officer or judge will ask the parties for the form or, if they didn't bring the form, for the policy information. Staff at the hearing will record the information on the order or on the Health Insurance Information Form, which will be attached to the order. If parties claim that health insurance is not available to them, they must submit proof to the Probation Division enforcing the case. An original letter from the employer, on the employer's letterhead, stating that health insurance is not available to its employees is acceptable proof.

If the health insurance information is not provided prior to the entry of the order, Family Division staff should record such information if it becomes available before the file is transferred to Probation. The Health Insurance Information Form should be completed and given, along with other routine child support documents, to the County Probation Division that will be enforcing the order for Probation staff to enter on ACSES, except in those counties in which Family Division staff enters the information directly on ACSES. In AFDC cases, the Health Insurance Information Form should be sent by Family Division, in addition to Probation, to the County Welfare Agency, along with the

child support order.

For **existing** child support cases in which the obligee is requesting health insurance benefits, Probation should file a motion to obtain health insurance coverage. Probation should supply the obligee, using the cover letter enclosed as Attachment II, with a Notice of Motion to Obtain Health Insurance Coverage (Attachment III) and a Certification in Support of Motion to Obtain Health Insurance Coverage (Attachment IV).

The obligee must sign the notice of motion and the certification and return the forms to Probation. Probation should send Attachment V along with the motion papers requesting specific health insurance information. The motion should be scheduled by Probation in the same manner as enforcement motions.

II. Obtaining Health Insurance Information

Within 30 days after an order has been entered requiring an obligor to provide health insurance coverage for the obligee and/or children, the policy information, such as the name of the insurance carrier, policy number, etc., must be obtained, unless such information was given during prior proceedings. Probation should send a letter to the obligor (Attachment VI) requesting the obligor to supply policy information within 30 days of the date of the letter and notifying the obligor that an administrative hearing will be scheduled if the information is not provided. At the same time, Probation should send to the obligor's employer either a CS010C employment verification, if employment **is not** documented or a health insurance verification (Attachment VII), if employment is documented. The employment verification letter requests the employer to confirm the obligor's employment, income and health insurance coverage. If the employment need not be verified because it is documented in another way, a health insurance verification must be sent. Enclosing stamped, self-addressed envelopes in the letters to the obligors and employers will increase the response rate, as experience has shown compliance improves when such envelopes are included.

If no response is received from the employer or the obligor within 30 days of the letters being sent, as shown on the CS145.01 report, Probation must send the obligor a second letter advising the obligor to appear at Probation for an administrative hearing (Attachment VIII). The letter advises the obligor that the hearing can be avoided if the requested information is provided at least 5 days before the hearing. The administrative hearing should be handled in the same way in which appeals from tax offset and credit bureau reporting are scheduled. At the same time the Notice of Administrative Hearing is sent, counties, at their option, may send letters to obligees stating that Probation is attempting to obtain policy information and requesting obligees to provide details of the insurance coverage, if they have such documentation (Attachment IX).

If the administrative hearing does not produce the requested information, the case should be scheduled for enforcement just as child support matters are handled. Other portions of the order, e.g., support, should be enforced at the same time, if the obligor has failed to comply with other provisions as well.

After the health insurance information is obtained, it should be entered on the UMED screen. **It is imperative that codes be entered accurately so that appropriate enforcement actions may be taken.** The TPL (Third Party Liability) code should be entered on the UOBL screen as follows:

1. Health insurance has been ordered, is available and the UMED record is entered on the system.
2. Health insurance has been ordered, but no UMED record is on the

- system. Probation is taking steps to enforce the health insurance order.
3. Health insurance has been ordered, but coverage is not available to the absent parent at the present time because the obligor's employer does not offer health insurance, or the obligor is not employed. Probation is monitoring health insurance availability.
 4. Health insurance has not been ordered, or the case is an interstate income withholding (interstate code 6). (If the order does not mention health insurance at all, the TPL code should be 4, even if the order apportions responsibility for unreimbursed medical expenses.)
 5. Health insurance is being enforced by the responding state in a case with an interstate code of 3 or 5 in which the obligor resides out of state and no UMED record is on the system.
 6. The case is non-AFDC arrears only or AFDC arrears only without current Medicaid services.

ACSES is in the process of being modified so that after the health insurance information is entered, the TPL code automatically will change to a 1. It should be noted that these codes refer only to obtaining health care insurance, not responsibility for payment of unreimbursed medical expenses. If an order does not contain a provision about health insurance, but **does** apportion responsibility for medical expenses, the case should receive a TPL code of 4.

The IV-D agency must provide health insurance information to the state Medicaid agency for cases in which the obligee is an AFDC recipient or a Medicaid recipient or applicant so that Medicaid can be reimbursed for any expenditures it has made while private insurance was available. This exchange is accomplished centrally by ACSES through a computer tape to Medicaid on a monthly basis. For non-AFDC, non-Medicaid cases, the policy information should be provided to the obligee using CS076.

III. Enforcing Health Insurance Orders

If the obligor fails to obtain health insurance as required by the order, and the administrative process does not effect compliance, the case should be returned to court for enforcement. Probation should schedule the motion, just as motions to enforce child support payments are handled. ACSES will generate the motion documents. As with obtaining health insurance information, if there is non-compliance with other provisions of the order, they should be enforced at the same time.

IV. Interstate Cases

For cases in which New Jersey is the responding state with interstate codes of 2 or 4, or in income withholding cases with interstate codes of 7, health insurance orders should be enforced in the same manner as New Jersey orders, except that once the health insurance information is obtained, it should be submitted to the initiating state rather than directly to the obligee. All of the above health insurance procedures would apply to these cases as well. For cases with interstate codes of 6, in which the initiating state has only requested an interstate income withholding, no health insurance enforcement can occur and those cases should have a TPL code of 4. For cases in which New Jersey is the initiating state, with interstate codes of 3 or 5, follow-up action **may** be required to determine if the health insurance provision is being enforced by the responding state. In those cases with TPL codes of 5, Probation should submit an interstate transmittal (CS061) to the responding state requesting health insurance

information and/or enforcement. Transmittals should be sent on a quarterly basis until the information is obtained or enforcement is completed. Once the information is obtained and entered, the TPL code will change to 1.

These procedures were designed to assist county staff in implementing the requirements for establishing and enforcing health insurance orders. If you have any suggestions or questions regarding health insurance enforcement, please contact the Administrative Office of the Courts, Child Support Enforcement Services at (609) 292-8908.

EDITOR-S NOTE

No change has been made to the original text.

HEALTH INSURANCE INFORMATION

CS No.: _____

Obligor's Name: _____

<u>Coverage Type</u>	<u>Insurance Co.</u>	<u>Policy #</u>	<u>Group #</u>	<u>Effective Date</u>
Hospital	_____	_____	_____	_____
Medical	_____	_____	_____	_____
Major Medical	_____	_____	_____	_____
Prescription	_____	_____	_____	_____
Dental	_____	_____	_____	_____
Optical	_____	_____	_____	_____

Persons covered by the above policies who are the subject of this support action:

_____ Health insurance is not available at this time.

Obligee's Name: _____

<u>Coverage Type</u>	<u>Insurance Co.</u>	<u>Policy #</u>	<u>Group #</u>	<u>Effective Date</u>
Hospital	_____	_____	_____	_____
Medical	_____	_____	_____	_____
Major Medical	_____	_____	_____	_____
Prescription	_____	_____	_____	_____
Dental	_____	_____	_____	_____
Optical	_____	_____	_____	_____

Persons covered by the above policies who are the subject of this support action:

_____ Health insurance is not available at this time.

ATTACHMENT I

[COUNTY LETTERHEAD]

*[Obligee
Street Address
City, State Zip]*

Re: *[Obligee vs. Obligor
CS12345678A]*

Dear *[Mr./Ms. Obligee]*:

You have requested this office to help you to get an order requiring the non-custodial parent to provide health insurance coverage for you and/or the child(ren). To do this, you must file a motion asking the court to order the non-custodial parent to maintain health insurance coverage. Enclosed please find a Notice of Motion to Obtain Health Insurance Coverage and a Certification in Support of Motion to Obtain Health Insurance Coverage. Please check off on the Notice of Motion whether you are requesting coverage for yourself, the child(ren) or both. Add the date and sign the Notice of Motion and Certification where marked and return to me. After we receive the signed papers from you, we will mail them to the non-custodial parent.

You must appear at the hearing at the time and place shown on the Notice of Motion or the motion may be dismissed. Please contact the undersigned before the date of the hearing to confirm the time and place.

Thank you in advance for your cooperation.

Sincerely,

*[Name
Title]*

ATTACHMENT II

Filed by:

**SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION - FAMILY PART
COUNTY**

Plaintiff/Oblig_____

Docket No.

vs.

CS No.

Defendant/Oblig

Civil Action

TO:

**NOTICE OF MOTION TO OBTAIN
HEALTH INSURANCE COVERAGE**

Please TAKE NOTICE that on _____, at _____, the undersigned shall apply to the Superior Court of New Jersey, Chancery Division, Family Part at the Court House at _____ New Jersey, for an order requiring the above named to provide health insurance coverage for:
G The obligee (the person who receives child support).
G The children who are the subject of the child support order.

In support of this motion, I will rely on the attached certification.

TAKE FURTHER NOTICE that oral argument is requested.

TAKE FURTHER NOTICE that if this case is heard by a Child Support Hearing Officer, you may object to the recommendation which will result in a hearing before a Superior Court Judge.

Dated:

Plaintiff/Defendant

PROOF OF SERVICE

On _____, I mailed by regular and certified mail, return receipt requested, with postage thereon prepaid, a copy of this Notice of Motion and supporting papers addressed to the person to whom it is addressed at that person's last known address.

I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

Dated:

Probation Officer/Investigator

IF YOU HAVE A DISABILITY AND NEED ASSISTANCE, PLEASE CONTACT THE FAMILY DIVISION MANAGER OR PROBATION DIVISION.

ATTACHMENT III

**SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION - FAMILY PART
COUNTY**

Plaintiff

Docket No.

vs.

Civil Action

Defendant

**CERTIFICATION IN SUPPORT OF MOTION TO
OBTAIN HEALTH INSURANCE COVERAGE**

, of full age hereby certifies:

1. I am the Plaintiff/Defendant in the above captioned action and I submit this certification in support of my Motion to Obtain Health Insurance coverage.

2. I request that the obligor be required to provide health insurance coverage for:

G The obligee.

G The following dependents:

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I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

Dated:

Plaintiff/Defendant

[COUNTY LETTERHEAD]

Attached is a Notice of Motion to Obtain Health Insurance Coverage and a Certification in Support of the Motion. You will need to bring health insurance information to the hearing. Before the hearing, you may need to talk to your employer. You should know what types of insurance are available from your place of employment before you go to court. You will need to know how to get this coverage and when it will be available to the custodial parent and/or the child(ren) if ordered. You should also find out the cost, if any, to you. If your employer has papers to be filled out by the custodial parent, bring them with you. Ask your employer to complete the following section if you do not know the information.

Insurance plans available to employees of:

<u>Coverage Type</u>	<u>Insurance Co.</u>	<u>Policy #</u>	<u>Group #</u>	<u>Effective Date</u>
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Hospital

Medical

Major Medical

Prescription

Dental

Optical

If you do not bring this information to court with you, you may have to go back to court to give it.

If the custodial parent and/or child(ren) already are covered by your health insurance currently, you will need to bring a statement from your company and any cards or forms needed to use this coverage.

If no health insurance is available, you will need a statement from your employer on company stationery that it does not offer health insurance benefits and whether such coverage will be available in the future.

ATTACHMENT V

[COUNTY LETTERHEAD]

[Obligor
Street Address
City, State Zip]

Re: [Obligee vs. Obligor
CS12345678A]

Dear [Mr./Ms. Obligor]:

The records of [XXXXXXXXXX] County Probation show that you were ordered to provide health insurance coverage for the child(ren) in the above child support case. To date, you have not shown that you have such insurance. Please complete the form below and return it to Probation within 30 days, keeping a copy for your own records. If you have any questions, call your Probation case worker. If you need help to fill out the form, you may wish to ask your employer. If you do not give us the requested information, an administrative hearing will be scheduled which you must attend. You must notify Probation of any changes in your health insurance coverage.

Thank you in advance for your cooperation.

Sincerely,

[Name/Title]

Name: [Obligor]

CS No. [12345678A]

SSN: - -

DOB:

Employer Name and Address:

<u>Coverage Type</u>	<u>Insurance Co.</u>	<u>Policy #</u>	<u>Group #</u>	<u>Effective Date</u>
Hospital				
Medical				
Major Medical				
Prescription				
Dental				
Optical				

Persons covered by the above policies who are the subject of this support action:

Insurance card was G provided G not provided to the obligee.

G Copy of insurance card is attached.

G Health insurance is not available at this time. Attached is an original letter from my employer on my employer's stationery confirming that health insurance is not available.

G Health insurance is not available at this time. Attached is an original letter from my employer on company stationery indicating health insurance will be available on:

ATTACHMENT VI

[COUNTY LETTERHEAD]

**[Employer
Street Address
City, State Zip]**

Re: Health Insurance Verification
[CS12345678A]

Dear [Employer]:

The [XXXXXXXX] County Probation Division, Child Support Unit requires verification of the health insurance coverage of your employee listed below. All information will be kept confidential.

Please complete the form below, make any necessary corrections and return it to Probation. If the coverage terminates or lapses, please complete and return the top portion of this letter to Probation. Your cooperation is appreciated. Please contact me at [(XXX) XXX-XXXX] if you have any questions.

Sincerely,

[*Name*
Title]

Health insurance coverage for the dependents of [Obligor, SSN XXX-XX-XXXX] lapsed effective.
Reason:

Authorized Signature

Employee: [Obligor Name] SSN: [XXX-XX-XXXX]
Employee Address: [Street Address]
[City, State Zip]

Coverage Type	Insurance Co.	Policy #	Group #	Effective Date
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Hospital
Medical
Major Medical
Prescription
Dental
Optical

Persons covered by the above policies:

[COUNTY LETTERHEAD]
NOTICE OF ADMINISTRATIVE HEARING

[Obligor
Street Address
City, State Zip]

Re: [Obligee vs. Obligor
CS12345678A]

Dear [Mr./Ms. Obligor]:

Please take notice that you must come to an administrative hearing to show health insurance information to a probation officer. This action is needed because you have failed to provide the information asked for by letter dated [XXXXXXXX]. You are to come to [XXXXXXXX] County Probation at [Probation Address] on [Month Day, Year]. If you do not attend the administrative hearing, you will be scheduled to go before a judge. If you fill out the form below and give it to Probation at least 5 days before the hearing, you will not have to go to the administrative hearing.

Sincerely,

[Name
Title]

Name: [Obligor]

CS No. [12345678.A]

SSN: _ _ - _ _

DOB:

Employer Name and Address:

<u>Coverage Type</u>	<u>Insurance Co.</u>	<u>Policy #</u>	<u>Group #</u>	<u>Effective Date</u>
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Hospital				
Medical				
Major Medical				
Prescription				
Dental				
Optical				

Persons covered by the above policies who are the subject of this support action:

Insurance card was G provided G not provided to the obligee.

G Copy of insurance card is attached.

G Health insurance is not available at this time. Attached is an original letter from my employer on my employer's stationery confirming that health insurance is not available.

G Health insurance is not available at this time. Attached is an original letter from my employer on company stationery indicating health insurance will be available on:

ATTACHMENT VIII

[COUNTY LETTERHEAD]

*[Obligor
Street Address
City, State Zip]*

Re: *[Obligee vs. Obligor
CS12345678A]*

Dear *[Mr./Ms. Obligor]:*

The records of [XXXXXXXXXXXX] County Probation show that the non-custodial parent (obligor) was ordered to provide health insurance coverage for you and/or the child(ren) in the above child support case. We have asked the obligor for proof that such coverage has been obtained, but we have not received a response. We are trying to get this information for you from the obligor and other sources. If you have the following information, please complete the form below and return it to Probation as soon as possible.

Thank you in advance for your cooperation.

Sincerely,

*[Name
Title]*

Name: *[Obligor]*

CS No. *[12345678.A]*

SSN: - -

DOB:

Employer Name and Address:

<u>Coverage Type</u>	<u>Insurance Co.</u>	<u>Policy #</u>	<u>Group #</u>	<u>Effective Date</u>
Hospital				
Medical				
Major Medical				
Prescription				
Dental				
Optical				

Persons covered by the above policies who are the subject of this support action:

Insurance card was G provided G not provided to the obligee.
G Copy of insurance card is attached.

ATTACHMENT IX