

Child Support Report



OFFICE OF CHILD SUPPORT ENFORCEMENT

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Medical Child Support and Health Reform: New Opportunities, New Questions

By Jennifer Burnszynski

OCSE

The country is engaged in an energetic debate on how to best bring about health reform. The Child Support Enforcement program has a unique role to play because of its medical child support responsibilities and its service to low-income families.

Medical support enforcement highlights the critical role that child support plays in fostering child well-being. Health care coverage makes a big difference in childhood and once kids grow up. Uninsured children are more likely to go without needed care. They have poorer health and even have higher mortality. Better childhood health leads to better outcomes in adulthood, too. Medical child support enforcement also helps avoid and save public costs.

Over the past decade, states have made great efforts to improve medical child support outcomes. The health care coverage environment has also changed a lot in that time. The cost of family health insurance premiums has

increased about 120 percent since 1999! Fewer employers offer health care benefits now, and just this year, 15 to 20 percent of firms cut benefits, increased cost sharing, or increased worker contributions as a result of economic downturn.



Another change was the creation of the Children's Health Insurance Program (CHIP) in 1997. CHIP is a federal and state program that provides low cost health insurance coverage for children in families who earn too much income to qualify for Medicaid but cannot afford to purchase private health insurance coverage. It works a little differently in each state. Children's private coverage has dropped over the past several years while Medicaid and CHIP coverage increased.

Children in the Child Support Enforcement program rely on private and public coverage. The program serves the same children as the Medicaid and CHIP programs. The great majority of children eligible for the Child Support Enforcement program are also eligible for Medicaid or CHIP. At least 60 percent of the children in the program used Medicaid or CHIP in 2005, while the latest available analysis shows that half of children in custodial families had private coverage in 1999, most often through their custodial parent's employer (although this analysis is dated in light of recent trends).

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U.S. Department of Health and Human Services
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Office of Child Support Enforcement

Goals for National Reform

Last summer, President Obama set three goals for health reform:

- Provide more security and stability to those who have health insurance;
- Provide quality, affordable coverage to those who don't have health insurance; and
- Slow the growth of health care costs.

The major bills under consideration by Congress have many differences, but also have broad similarities in the way they seek to meet the President's goals. The Affordable Health Care for America Act (H.R. 3962) in the House and the Patient Protection and Affordable Care Act (H.R. 3590) in the Senate both:

- Require almost everyone to carry health insurance with important exceptions. If you don't have health insurance, the IRS will assess a financial penalty. Both bills require parents to cover their dependent children. The house bill levies the penalty against the parent who is required to provide health care coverage for a child pursuant to a child support order.
- Create health insurance pools ("exchanges") for individuals and small businesses to purchase insurance.
- Provide premium and cost-sharing subsidies for coverage purchased through a new health insurance exchange for people earning less than 400 percent of the federal poverty level.
- Extend Medicaid to all individuals near poverty, up to 133 percent of poverty in the Senate bill and 150

percent in the House bill. This would include low-income noncustodial parents.

- Establish new consumer protections in private insurance, like prohibition of exclusions because of pre-existing conditions, and improve the quality and effectiveness of the health care system.
- The House bill would automatically enroll uninsured newborns in Medicaid for a limited time. Both bills would use the exchange as a source of coverage for CHIP-eligible children, with the House bill repealing CHIP in 2013.

Working It Out Together

At this point, there is still a lot to be worked out. Does a mandate that parents cover their dependent children change the way medical support obligations are established? How would the child support program interface with a health insurance exchange? How might family cost-sharing parameters established through health reform interact with child support guidelines? If health reform expands coverage through both private and public options, will the child support program have a role in supporting both of these tracks?

OCSE is working proactively to ensure that we are ready to seize the opportunities and meet the challenges that health reform can bring. We are monitoring the legislative process and will be providing updates.

We are having conversations with the child support community and our children's health care partners. For example, OCSE's medical support 1115 grantees will be participating in a series of small meetings with experts in children's health care coverage and health reform.

We and our grantees will learn from these experts. Just as important, OCSE grantees will help educate them about the Child Support Enforcement program's responsibilities and perspectives.

We are also partnering with our CHIP counterparts at the federal level to implement new strategies for CHIP outreach and enrollment—working with TANF, Child Care, Head Start and Child Welfare.

Medical child support is an exciting but demanding area for the program. No one knows quite what health reform will look like or how it will play out. However, the Child Support Enforcement program's history of innovation and performance means that it is ready to take full advantage of this moment.



Health Reform for Children is On the Horizon



Keeping their kids healthy is a major priority for parents, and health care expenses can make up a significant part of the family budget. For a number of years, the child support community has been working to implement effective medical support strategies. We have been going down a steady path to expand health-care coverage for children by identifying available, accessible and affordable insurance in support orders and enforcing the parents' responsibility to provide it to their kids.

We have been collecting data and identifying potential medical support performance measures. We've been working hard to develop productive partnerships with Medicaid and CHIP. And then Congress took up health reform, which has inevitably reopened the medical child support discussion.

Now we need to pause and reassess where we are and how we can best carry out our responsibilities in light of the health-reform package that Congress passes. What is our primary goal? Is it cost recovery? Is it enforcement? Is it maximizing health-care coverage for kids? Over the next few months, OCSE's Jennifer Burnszynski will

be leading a conversation process to figure out the answers. For a start, please see her article on page 1.

I expect the New Year will bring to light several exciting collaborations in the child support program. At the federal level, our health care coverage partners are focused on outreach, enrollment and retention: getting eligible families to apply for Medicaid and CHIP, and keeping them covered. To that end, I am working directly with my counterpart at the HHS Center for Medicaid and State Operations to provide opportunities to expand CHIP enrollment for children in the child support program and other ACF programs. It will be an excellent opportunity not only to improve our services to families, but also to get to know our CHIP colleagues in a new way, to better understand their goals and the daily realities they face. A number of state child support directors have expressed interest in this initiative, so I'm encouraged that there is a lot of potential for these kinds of collaborations.

I wish all of you a happy and healthy 2010!

Vicki Turetsky

VA Plan to End Homelessness Opens Door for Collaboration with OCSE

By Mike Ginns
OCSE Region I

"My name is Shinseki, and I am here to end veteran homelessness," said Department of Veterans Affairs (VA) Secretary Eric Shinseki in his opening address at a 3-day VA summit in November. The summit was hailed by many in the veteran's community as a watershed moment for the agency.

In a more emphatic statement, Shinseki said that he and President Obama are personally committed to ending veteran homelessness in 5 years. To successfully complete their mission, the VA will need to develop and strengthen their relationships with other community- and faith-based organizations as well as other federal agencies. OCSE will



be one of these strategic partners.

Sean Clark, National Coordinator for Veterans Justice Outreach, spoke at the OCSE 19th National Training Conference only minutes after VA leadership approved a plan to collaborate with OCSE in assisting veterans who face significant child support issues.

Clark announced that HHS, the VA, and the American Bar Association (ABA) are proposing to work with homeless veterans and their families to address unresolved child support issues. Discussions have begun at the highest levels to build the framework for this collaboration.

Why We Need to Help

Homelessness, incarceration and the inability to pay child support are intertwined in the lives of many

veterans. They are unable to move into permanent housing because of old fines, debts and legal judgments they incurred while homeless, in an addictive phase, or while going untreated for a mental illness or disease.

Incarcerated veterans also face significant barriers including homelessness, lack of employment opportunities, inappropriate and inadequate healthcare, as well as child support arrears when they reenter mainstream society. Recent data shows that between one-quarter and one-half of incarcerated veterans have a child support case, and they owe an average of \$20,000 in child support upon their release.

The 2009 Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) conducted by the VA indicates that “legal assistance for child support issues” ranks in the top five needs by veterans and those that provide services to them. Also included in the list for needs were “prisoner reentry”

and “long-term housing services.” Other significant data collected by the VA indicate substantial numbers of veterans in jail are eligible for VA services, that they have high levels of health and mental health service needs, and many are potentially eligible for referral to—and are good candidates for—drug court or mental health court intervention as an alternative to incarceration.

The needs of veterans can be far-reaching and complex beyond what one who has never served can comprehend. It is a task that requires harnessing the resources and dedicated professionals from multiple disciplines across many organizations. There is a firm belief from all those involved that this cross-agency effort will have several measurable effects to improve the lives of countless veterans and their families.

Please send state and local agency experiences with the VA to Karen Anthony in OCSE at karen.anthony@acf.hhs.gov.

Dispute Resolution: Texas Project Creating More Responsible, Healthier Families

By Susan Greenblatt
OCSE

The “Texas Shared Parenting Project,” an ongoing pilot funded through the federal Access and Visitation (AV) grant program, is getting rave reviews. The project provides “parenting-time negotiation” services in two child support offices—Houston and Dallas. On-site dispute-resolution professionals help parents reach parenting-time agreements and develop parenting plans at the time of case establishment and in response to conflicts that develop post establishment.

An evaluation of the pilot points to greater levels of agreement between parents, faster disposition of child support and medical support issues, and, in one site, significant increase in payment rates.

Dispute resolution staff show parents a short video, produced by the Texas Child Support Division, called “*For Our Children: Learning to Work Together.*” It highlights the effects of parental conflict on children



and sets the stage for the negotiation conferences.

State or local child support agencies can modify the video to reflect their specific information.

What is Dispute Resolution?

Dispute resolution involves both parents in the decision-making process so they are more likely to concur with the final agreement about their case. It allows parents to reach an agreement outside the courtroom rather than requiring a judge to resolve their case. It’s been widely used as an alternative to traditional courtroom processes, particularly in family law matters. The child support arena has not used dispute resolution as extensively; however, child support agencies now are recognizing the advantages of these services for families.

Why Offer Dispute Resolution?

Several states and some tribes have gained positive results with dispute-resolution processes, such as:

- More orders established (about 20-percent increase in New Mexico)
- Increase in orders with payments (18-percent increase in child support payment rates in Missouri and 20-percent increase in Texas)
- Faster resolution (3 months faster in New Mexico)
- Less congested court dockets
- More involved and satisfied customers
- Children exposed to less parental conflict

Dispute Resolution Models

Child support agencies now use two dispute resolution models—mediation and case-conferencing. In mediation, a neutral third party facilitates negotiation between the parents and the child support agency concerning child support.

Unlike mediation, the case-conferencing model does not include an additional third-party mediator; both parents

meet with a trained staff member for an agreement on their child support case. The goal of both models is a voluntary agreement by both parents to resolve their child support case. If parents do not participate in the conference or mediation or if they do not agree, traditional judicial processes remain available to resolve their cases.

Dispute resolution processes are effective, flexible, and can work in both judicial and administrative settings to establish, modify and enforce child support. Delaware, a judicial process state, uses a mediation model. Other judicial process states with case-conference models are New Mexico, Texas, Massachusetts, and California.

Colorado, an administrative process jurisdiction, also has used case-conferencing. Missouri has used AV grant funds to successfully mediate visitation issues, primarily to serve child support cases. In addition, some tribal programs, such as the Navajo Nation, rely on conferencing models that reflect their tribal traditions.

What are parents saying about dispute resolution?

- “Mediation was very helpful and has definitely helped my ex and I communicate better.”
- “An almost impossible situation has become far more manageable and promising.”
- “Child support office is a more relaxed place (than court) and I can speak to someone without waiting a long time.”
- “It just makes sense to get along, think about what is best for the child and not try to win all the battles.”



Children’s comments on the Texas Shared Parenting Project

- “It hurts [when parents fight] ... but I can’t explain the hurting in words, though. It’s just the tip of me and I can’t get it out. It’s just like ... like in my heart, like it’s being stabbin’.”
- “They don’t get in as many fights as they used to [after parents learn to better communicate]. They can discuss decisions themselves without having to like ask me to be the go-between. So, it’s a lot better than it used to be.”
- “There was a new student orientation and my dad came and he talked really nice to my mom and so did my mom to my dad. I felt happy about that.”
- “They’ve learned how to talk because the divorce that I went through was so long ago ... that they’ve learned how to talk without actually having an argument.”



Offsetting Unemployment Benefits

By Cristol Porter
OCSE

As a result of the nation's economic situation, many individuals have become unemployed and claims for unemployment insurance (UI) benefits are heading for record levels. Child support obligors are feeling the pinch, too; many have had their work hours reduced or lost their jobs altogether.

In FY 2009 (through Aug. 31), the Federal Parent Locator Service (FPLS) returned unemployment insurance data to states on 1,140,657 noncustodial parents—a 45-percent increase over the same time period in FY 2008, when data was returned on 785,627 noncustodial parents.

This boost in claims for unemployment underscores the importance of using UI data for child support needs. The FPLS returns daily UI matches to states with the following information: claimant name and SSN, claimant address,

claimant benefit amount and reporting period.

When states receive these matches, they should send a transmittal requesting assistance from the other state child support agency to intercept UI benefits from their obligor in that state. In some instances, an income-withholding order (IWO) can be sent directly to the state workforce agency handling the claim. Currently 13 state workforce agencies will accept a direct IWO from another state without the two-state action: Georgia, Louisiana, Massachusetts, Michigan, Minnesota, North Dakota, New York, Ohio, Pennsylvania, Puerto Rico, Tennessee, Virgin Islands, and Wisconsin.

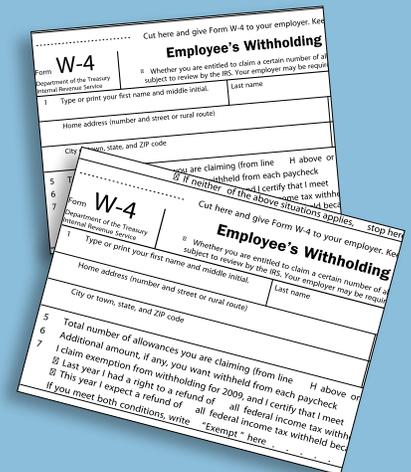
For more information about which workforce agencies may participate in the future, please refer to the [Intergovernmental Referral Guide \(IRG\)](#).

For more information on taking advantage of this source of income to help support children, please contact the [State Technical Support Liaison](#).

New Hires 20%



The number of W-4 records posted to the National Directory of New Hires in FY 2009 is down 20 percent compared to FY 2008. This shows the same general economic trend as the U.S. economy.





South Dakota Partners in Federal Prosecution Collect \$4 Million for Families

By Kathryn Piersol
South Dakota Division of Child Support
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South Dakota's active child support caseload is relatively small from a national perspective, but the state is among the nation's leaders in pursuing cases for federal criminal prosecution under the Child Support Recovery Act (CSRA) of 1992 and the amendment in 1998 that added a felony provision. From January 1998 to October 2009, the state has referred 425 cases for federal prosecution and collected more than \$4 million in restitution for South Dakota families.

South Dakota's Division of Child Support (DCS) credits this success to strong cooperation between the U.S. Attorney's Office, the HHS Office of the Inspector General (OIG), and staff working as part of OCSE's Project Save Our Children (PSOC).

Most states submit federal prosecution cases directly to PSOC to refer to the US Attorney's Office. However, since South Dakota developed its process with the U.S. Attorney's Office before PSOC started up, its process varies slightly. The U.S. Attorney will accept about 30 enforcement cases at one time and will notify DCS when additional cases need to be submitted; typically two to three times per year. DCS allocates the number of cases that can be referred by each field office to ensure statewide coverage.

Cases considered for prosecution must meet the five elements of the CSRA:

- The noncustodial parent must have the ability to pay.
- The noncustodial parent must have willfully failed to pay his or her obligation.
- The noncustodial parent must know of his or her past-due child support obligation.
- Only past-due support is considered under the federal criminal statute.

- The noncustodial parent must reside in a state different than that of the child(ren). The custodial parent and child must reside in South Dakota.

Field offices also consider these criteria before they refer cases for federal prosecution:

- Has the office exhausted all available state civil and criminal remedies?
- Is there a pattern of flight across state lines by the noncustodial parent to avoid payment or service of process?
- Is there a pattern of deception to avoid payment?
- Is nonpayment of support linked to other criminal charges?
- Is there a failure to pay support after the noncustodial parent was held in contempt of court?
- Are there any other criminal convictions or pending criminal charges for nonsupport either in-state or out-of-state?

DCS refers the cases to the U.S. Attorney's Office, which refers them to OIG, and OIG assigns the cases to one of three Special Agents. These agents next refer the cases to the PSOC in Denver. After PSOC completes its investigations, the OIG agent presents the cases to the Grand Jury. For each case, the Grand Jury will issue an indictment and the court will issue an arrest warrant. The OIG agents then arrest and bring the person to Federal Court.

Throughout the court process, the OIG agents and DCS staff work closely with the federal prosecutor assigned to the case. Sentencing is at the judge's discretion; most commonly, the court will enter a Federal Judgment of Conviction and order the noncustodial parent to pay restitution in the amount of the past-due child support.

For additional information, please contact Kathryn Piersol at 605-773-3641 or Kathryn.Piersol@state.sd.us.

Deliver the Letter, the Sooner the Better

OCSE Offers Address-Change Service

By Tom Kriksciun
OCSE

In this vast, mobile society in which we live, 45 million Americans move every year—some across town and others across the country. All this movement has created a daunting task for organizations like state child support agencies, which have to keep track of the whereabouts of so many people.

Some agencies see up to 17 percent of their official mail returned as “undeliverable as addressed” because many of the addresses in their systems are outdated. And, let’s face it: many clients would just as soon not be located by child support agencies, which make the agencies’ work more challenging.

In response to the growing issue of wrong addresses nationwide, The U.S. Postal Service established a database known as the National Change of Address (NCOA), which contains 110 million address changes gathered from the change-of-address cards people fill out when they move. The USPS maintains these addresses for 48 months, including multiple address changes for the same individual.

Now OCSE is making this powerful NCOA tool available to states through the Federal Parent Locator Service (FPLS). To access the NCOA data, child support agencies will need to make some minor programming changes to their Federal Case Registry (FCR) input and output files. The FCR links the input files to the USPS NCOA data, where address verification and standardization are performed. New addresses are sent to the states by way of the FCR, along with codes for matched and not-matched addresses.

Today five states—Illinois, Florida, Idaho, Arizona, and Virginia—are using the NCOA through the FPLS with encouraging results. For example, the states are:

- Reducing undeliverable mail, with savings through reduced postage and worker time;
- Automating the address updating process, reducing the burden of manual updating;
- Reducing the need for postmaster letters and forwarding fees;

- Using the NCOA to get postal discounts, which range from 2.6 cents up to 9.5 cents per piece; and
- Increasing the “hidden” savings of customer satisfaction through expedited service.

Using NCOA can provide substantial savings, depending on state procedures and volume of mail.

To learn more about this cost-cutting tool, please contact Tom Kriksciun at thomas.kriksciun@ngc.com or 703-272-5957, or Kerry Newcombe at kerry.newcombe@ngc.com or 540-234-0349.



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