



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 711(as reported without amendment)
Sponsor: Senator John J.H. Schwarz, M.D.
Committee: Health Policy and Senior Citizens

CONTENT

The bill would amend the Friend of the Court Act to provide that if a parent failed to obtain or maintain health care coverage for a child as ordered by the court, the Friend of the Court (FOC) would be required to initiate enforcement at the following times: within 60 days after the entry of a support order; upon written complaint from a party; upon written complaint from the Department of Social Services if the child were a recipient of public assistance or medical assistance; and when a review was conducted as required under the Act. The Act prescribes the circumstances under which the FOC must review a child support order.

MCL 552.509 & 552.511

Legislative Analyst: G.Towne

FISCAL IMPACT

The bill would provide for an automatic mechanism whereby all FOC offices would have to follow the same procedures regarding an order for dependent coverage. Whereas currently most enforcement by the FOC is complaint driven, the bill would require the FOC to enforce an order on the parent or employer without waiting for a complaint. This in effect would result in more paperwork and use of resources by the FOC. As most of the proposed procedures are currently executed in some manner, the fiscal impact would be minimal.

The bill is responsive to Section 13623 of the Omnibus Budget Reconciliation Act of 1993 which mandates that states have in effect laws relating to medical child support consistent with the provision of that Act. As other State statutes already allow for medical support under child support orders, and as the DSS already engages in a wide variety of third-party recovery activities, it is unlikely that the bill would produce a measurable amount of additional General Fund/General Purpose savings to the State Medicaid program. It should be noted, however, that since the bill would facilitate the overall medical support coverage and enforcement process, one would expect some level of savings to accrue. As an example, the average annual Medicaid fee-for-service cost for a child between the ages of 1 and 14 is \$720 in Wayne County. Each such child covered by private insurance will save the State about 44% of that amount, or \$317 GF/GP annually.

Date Completed: 10-6-95

Fiscal Analyst: M. Bain
J. Walker