CHILD SUPPORT ENFORCEMENT/

ABSENT PARENT

MEDICAL LIABILITY

OFFICE OF INSPECTOR GENERAL

OFFICE OF ANALYSIS AND INSPECTIONS

NATIONAL PROGRAM INSPECTION

SEPTEMBER 1987

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MEDICAL LIABILITY

RICHARD P. KUSSEROW
INSPECTOR GENERAL

SEPTEMBER 1987

Control #OAI-07-86-00045

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EXECUTIVE SUMMARY

PURPOSE: The purpose of this inspection was (1) to determine whether the Child Support Enforcement (CSE) program is requiring absent parents to provide medical support for their dependent children and (2) to provide an early alert to vulnerabilities in the program and potential Medicaid savings. This inspection covered the three months after the effective date of the regulations requiring medical support, and is the first of a series of inspections we plan to conduct involving court-ordered medical support. Future inspections will deal with why medical support is not included in new or amended court orders and with the coordination and exchange of information between State CSE agencies and State Medicaid agencies.

The overall objectives of the inspection were to determine:

- the extent to which State CSE agencies are petitioning the courts to include medical support in all new and amended court orders;

- the availability of affordable employer-provided dependent health insurance;

- the extent to which State CSE agencies are taking steps to enforce the health insurance coverage required by the support order; and

- the amount of dependent child health care expenditures the Medicaid program would avoid if State CSE agencies more strictly enforced new and existing regulations.

BACKGROUND: For the past decade, Congress has expressed concern about the responsibility of absent parents to provide medical support for their dependent children. The Medicare-Medicaid Anti-Fraud and Abuse Amendments of 1977 (Public Law 95-142) added Section 1912 to Title XIX (Grants to States for Medical Assistance) of the Social Security Act. This section of the Act permits State Medicaid agencies to establish medical support enforcement programs.

Regulations published February 11, 1980, to implement Section 1912 of the Act promoted cooperative agreements between State CSE and Medicaid agencies to obtain third-party liability (TPL) information. Most States elected not to enter into cooperative agreements because the Federal funding rate for the Medicaid program is lower than the amount States receive from the Federal Government for child support collections. Therefore regulations were proposed by the Department of Health and Human Services (HHS), Office of Child Support Enforcement (OCSE), in August 1983 to "require" enforcement of medical support.

These regulations were not finalized until October 16, 1985, after Congress passed the 1984 CSE Amendments, which provided that the Secretary issue regulations to require State CSE agencies to petition for the inclusion of medical support as part of any child support order. The OCSE auditors, as part of their mandated audit responsibilities in fiscal year 1986 are to ensure that State CSE agencies are in compliance with these regulations. The section of these regulations relating to medical support which became effective December 2, 1985, requires State CSE agencies to: (1) inform any individual who applies for State CSE assistance in the collection of child support payments that medical support enforcement services are available; (2) include medical support in new and amended court orders dated on or after December 2, 1985; (3) enforce medical support obligations, obtaining the absent parent's place of employment, information on whether the absent parent has a health insurance policy and, if so, the policy name and names of persons covered; and (4) share health insurance information obtained on absent parents with State Medicaid agencies.

These regulations were an outgrowth of a 1981 Office of Inspector General study, "An Assessment of Child Support Enforcement."

METHODOLOGY: New and amended court orders established during the first quarter immediately following the effective date of the new regulations (January-March 1986) were selected using a two-stage sampling design. Nine States were selected with probability proportional to size, and 40 cases from each State were selected by simple random sampling.

MAJOR FINDINGS:

- The Medicaid program would have avoided spending over $33 million annually if absent parents had their dependents enrolled in available employer-provided health insurance.

- Over $26 million of the total Medicaid savings (79 percent) would have come from cases in which medical support was not included in the court order. All of these cases should have contained court-ordered medical support, but only 43 percent did.

- In 112 of the 323 cases in our study (35 percent), the absent parent had dependent children enrolled in employer group health insurance, including 78 cases (24 percent) in which the Medicaid child was among the dependents enrolled. Medicaid was paying for these enrolled dependent's medical care.

- In 266 of the 323 study cases (82 percent), State CSE agency case files contained the information needed to contact the absent parent's employer or the absent parent to determine whether the employer offered group health insurance.

- In 194 of the sample cases (60 percent), the employer shown in the CSE case file provided group health insurance to the absent parent for dependents. No dependent health insurance was found to be available in 129 (40 percent) of the sampled cases.

- Proposed regulations dated May 27, 1987, when finalized, and enforced would add another $77,343,104 in Medicaid savings annually.

RECOMMENDATIONS:

The Office of Inspector General (OIG) recommends that the OCSE make medical support enforcement a higher priority activity to ensure State compliance with the regulations requiring that State CSE agencies:

- petition the court or administrative authority, in all new and amended court orders, to require the absent parent to provide available health insurance for dependent children;

- require absent parents to notify the court or State CSE agency when insurance coverage had been obtained;

- gather medical support information on CSE cases and submit it to the State Medicaid agency;

- request employers to advise them when an absent parent's health insurance coverage lapses;

- improve audit procedures for and reviews of medical support enforcement; and

- finalize rules requiring identification of high priority CSE cases and petitions for inclusion of medical support in court orders.

RESPONSE TO DRAFT REPORT:

The Family Support Administration (FSA) and the Health Care Financing Administration (HCFA) have agreed with these findings and recommendations. The FSA/OCSE is making medical support a high priority.

INTRODUCTION

BACKGROUND

For the past decade, Congress has expressed concern about the responsibility of absent parents to provide medical support for their dependent children. The Medicare-Medicaid Anti-Fraud and Abuse Amendments of 1977 (Public Law 95-142) added Section 1912 to Title XIX (Grants to States for Medical Assistance) of the Social Security Act. This section of the Act permits State Medicaid agencies to establish medical support enforcement programs. State Medicaid agencies were to use the State Child Support Enforcement (CSE) agencies to enforce absent parent medical support in order to eliminate establishment of a separate State Medicaid medical support system.

Regulations published February 11, 1980, implemented Section 1912 of the Act. These regulations promoted cooperative agreements between State CSE and Medicaid agencies to obtain third-party liability (TPL) information in an effort to reduce or eliminate Medicaid payments where TPL was available. The Code of Federal Regulations (CFR) 42, Part 433.136, defines "third party" to mean "any individual, entity or program that is or may be liable to pay all or part of the medical cost of injury, disease, or disability of an applicant or recipient."

Most States elected not to enter into cooperative agreements because the rate of Federal funding for the Medicaid program is lower than the amount States receive from the Federal Government for child support collections. Therefore, the incentive is to use available State resources to collect cash child support payments from absent parents. The collection of child support payments renders a higher return on expended State resources than the identification of absent parent private health insurance to reduce Medicaid expenditures.

Due to limited participation and minimal TPL detection and collection under cooperative agreements, regulations were proposed in August 1983 to "require" enforcement of medical support by the Department of Health and Human Services (HHS), Office of Child Support Enforcement (OCSE). These regulations were finalized after Congress passed the 1984 CSE Amendments (Public Law 98-378), adding Section 452(f) to the Social Security Act.

This section requires the Secretary of HHS to issue regulations requiring State agencies administering the child support enforcement program to petition the courts for inclusion of medical support as part of all child support orders involving Medicaid eligible children in the Aid to Families with Dependent Children (AFDC) program whether or not reasonably priced health insurance is available at the time the order is entered or modified. If health insurance is available to the absent parent at a reasonable cost and has not been obtained at the time the order is entered, CSE is to take steps to enforce the health insurance coverage required by the support order and provide this insurance information to Medicaid. The regulations, issued by the Secretary on October 16, 1985, define "health insurance to be reasonable in cost if it is employment-related or other group health insurance." These regulations require State CSE agencies to:

- inform any individual who applies for State CSE assistance in the collection of child support payments that medical support enforcement services are available;
- include medical support in new and amended court orders dated on or after December 2, 1985;
- enforce medical support obligations, by obtaining the absent parent's place of employment, information on whether the absent parent has a health insurance policy and, if so, the policy name and names of persons covered; and
- share health insurance information obtained on absent parents with State Medicaid agencies.

The regulations state that for all cases for which an assignment is in effect CSE must collect TPL information if it is available or can be obtained and submit the medical support information to the Medicaid agency. The Medicaid agency is responsible for entering the information into its system to prevent Medicaid from paying for services covered by private insurance. The regulations also state that, while the total amount that will be spent on medical care for dependent children of absent parents will not change substantially, the financing of medical coverage will shift from the Medicaid program and taxpayers to parents, third-party payors, and employers and employees who pay premiums.

In comments included in the publication of final regulations dated October 16, 1985, four State agencies raised the issue of not being paid for enforcement of medical support activities. The reply was that the feasibility of providing incentives to CSE based on the avoidance of Medicaid costs will be addressed later,

and that from a broad State and Federal perspective these efforts will be as advantageous in terms of State and Federal savings as pursuit of cash support. This same issue also was mentioned by CSE staff interviewed during this study. One State CSE Director compared the situation to a salesman who receives a commission on refrigerators but not ranges, and said it should not surprise anyone to find that the salesman was not selling any ranges. The same thing is true of the CSE program. Since CSE agencies receive Federal funds for cash child support collections but not for obtaining medical support information, their emphasis is on support collections.

Thus, there is little incentive for State CSE agencies to identify TPL. States receive the amount they paid out in Aid to Families with Dependent Children (AFDC) from the child support collections plus an incentive payment of between 6 to 10 percent of their collections, based on the cost effectiveness of their collection activity. Nationally in FY 85, the Federal Government received 33 percent of the collections and paid 70 percent of the collection costs. The States received 50 percent of the collections and paid 30 percent of the cost.

The OCSE audit staff are responsible to ensure State compliance with these regulations, including the provision of medical support in all new and amended court orders. The OCSE audits are required to follow the audit standards promulgated by the Comptroller General of the the United States in the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions." The OCSE Audit responsibilities encompass both the inclusion of medical support in new and amended court orders and enforcement of "reasonable cost" absent parent health insurance.

OBJECTIVES

The objectives of this inspection were to determine:

- if State CSE agency case files contained the information needed to contact the absent parent's employer or the absent parent to determine the availability of employer group health insurance for their dependents;

- the extent to which health insurance coverage is available for absent parents' dependents through the absent parents' employers;

- the extent to which State CSE agencies are petitioning the court or administrative authority to include medical support in absent parents' child support orders dated on or after December 2, 1985 (effective date of the regulations); and

- the amount Medicaid will save if absent parents use available private health insurance to pay for their dependents' medical care.

This inspection is the first in a series of inspections the OIG plans to conduct involving court-ordered medical support. It is an early alert that reflects what CSE was doing to implement the regulations during the first 3 months after the effective date. The findings highlight specific areas, such as whether current court orders contain medical support, insurance is available for absent parents' dependents, and Medicaid savings would result from the use of available private insurance.

Further work will be conducted to review how well the system is working 2 years after the regulations were issued. The OIG will update data from this report relating to inclusion and enforcement of court-ordered medical support and will evaluate the coordination and exchange of third-party information between State CSE agencies and Medicaid. We will also review the implementation of new regulations currently under consideration.

METHODOLOGY

There were 96,999 new or amended child support court orders issued nationally between January-March 1986, the first full quarter following the effective date of the HHS Secretary's new regulations requiring court-ordered dependent medical support. These cases were reported by OCSE on line 8A of form OCSE-56, "Financial/Statistical Report," for that quarter. Nine States with 41,329 cases from that universe (42.6 percent) were selected with probability proportional to size. The States were Arkansas, California, Michigan, Missouri, North Carolina, Ohio, Pennsylvania, Virginia and Utah.

Each State provided a list of cases within the designated quarterly time frame in which the absent parent had made at least one child support payment. The sample was limited to cases where the absent parent had made at least one payment, because one purpose of the study was to identify absent parents with health insurance coverage available through their employers. Absent parents who are making support payments are more likely to be employed and, thus, have access to employer group health insurance.

At least one child support payment had been made in 49.2 percent (20,338 of 41,329) of the court orders established or amended during the quarter. From these 20,338 court orders, a simple random sample of 40 cases in each of the nine States (360) was selected to be reviewed for collection of insurance information

and to obtain Medicaid payment histories for the named dependents. After selection, thirty-seven of the 360 sample cases still did not meet the inclusion criteria and were deleted from the case review process, leaving a total of 323 cases for review. (A State breakdown of cases which met the selection criteria is provided in Appendix E, page 15.)

Each of the 323 State CSE agency case files which met the selection criteria were reviewed to:

- determine if court orders dated January through March 1986 required the absent parent to provide health insurance for dependent children;
- obtain absent parent employment information to be used in determining availability of affordable health insurance; and
- gather information necessary to obtain Medicaid payment histories for dependents named in support orders.

Eighty-two percent (266 of 323) of the sampled State CSE case files contained information needed to contact the absent parents' employers. These employers were contacted to determine the availability of employer group health insurance for dependent children and if the absent parent was enrolled in a family plan. The remaining 57 State CSE cases contained inadequate or no employer information. Attempts to contact absent parents in these cases proved unsuccessful.

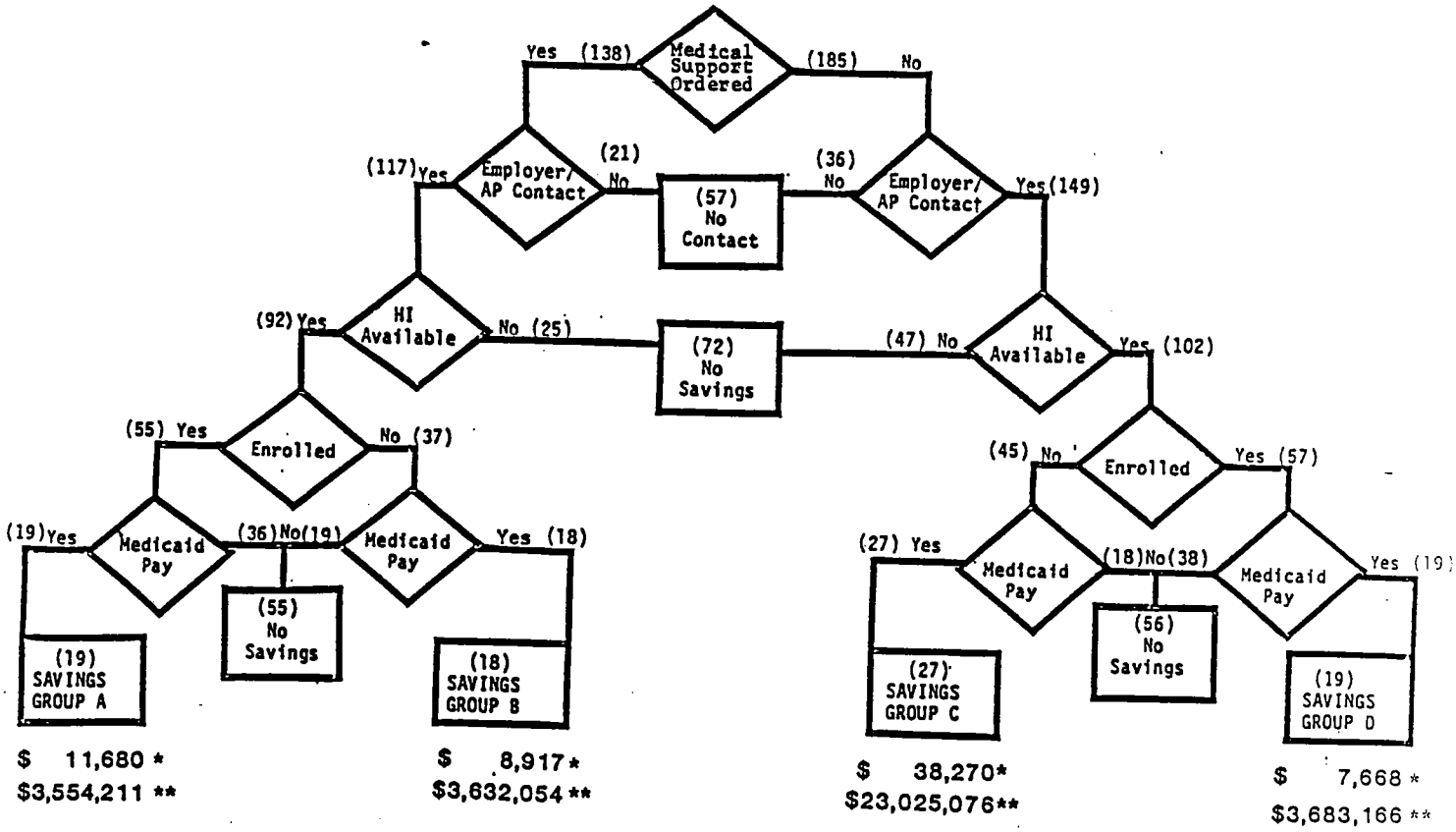
Medicaid payment histories were requested for dependents named in the court orders where employer group health insurance was available to the absent parent for these dependents. The Medicaid savings were computed based on amounts each absent parent's group health insurance plan would have paid for each specific service paid by Medicaid. We did not contact Medicaid or review their records to determine whether they had information about available health insurance and procedures in place to assure third party liability payments. The method used to determine per-case savings appears in Appendix A, page 10.

The case sample is statistically valid for the nine States included in the study. Therefore, the findings have been used to project national savings in those situations where the absent parents' existing employer group health insurance should have paid for dependent medical services rather than the Medicaid program. The savings are based only on those cases where employer group health insurance is available for the absent parents' dependents, but Medicaid is paying for the child's medical care.

FINDINGS

Case breakdowns and savings related to the major findings of the study are reflected in Exhibit 1. The exhibit reflects the status of each of the 323 cases included in the study. Cases were broken down into whether medical support was included in the court order, group dependent health insurance was available, and the dependents were enrolled. The exhibit also shows the saving that would result from using available private health insurance rather than Medicaid to pay for the medical care of absent parents' (AP) dependents. Savings were divided into four groups. A definition of each of the savings groups follows Exhibit 1. These categories also serve as the basis for discussing the findings and recommended corrective actions.

EXHIBIT 1



* Actual Savings Resulting from Sample Cases
** Projected National Savings

Definition of Sample Case Savings Groups:

Private dependent group health insurance (HI) was available for the dependents in each of the four savings categories; however, their medical care was paid for by Medicaid. The four categories are:

A. Medical support included in court order, dependents enrolled.

B. Medical support included in court order, dependents not enrolled.

C. Medical support not included in court order, dependents not enrolled.

D. Medical support not included in court order, dependents enrolled.

Major Findings:

- The Medicaid program would have avoided spending $33,894,507 if absent parents in all four savings groups had their dependents enrolled in available employer-provided health insurance and Medicaid had known of and acted upon this information. (See Appendix B, page 12). These savings were found by using information contained in the CSE case files.

- Over $26 million of the total Medicaid savings (79 percent) would come from group C and D cases which are cases where medical support was not included in the court order. All of these cases should have contained court-ordered medical support.

- Savings groups A and B are cases in which the absent parent was ordered to provide dependent medical support. These categories account for about $7 million in savings and raise questions about whether Medicaid or CSE failed to act on this information.

- Only two of the CSE case files contained information that CSE had notified Medicaid about available health insurance coverage. We will examine later CSE case files and explore the causes for not providing this information to Medicaid in a later inspection.

- In 266 of the 323 study cases (82 percent), State CSE agency case files contained the information needed to contact the absent parent's employer or the absent parent to determine whether the employer offered group health insurance. We were unable to contact 57 (18 percent) of the absent parents or their employers.

- In 194 of the sample cases (60 percent), the employer shown in the CSE case file provides group health insurance to the absent parent for dependents. Dependent health insurance was found to be unavailable in 129 (40 percent) of the sampled cases.

- In 112 of the 323 study cases (35 percent), absent parents had dependent children enrolled in their employer group health insurance.

  - In 78 of the study cases (24 percent), the Medicaid child was already enrolled. In these cases, Medicaid continued to pay for the child's medical care because either (1) the CSE agency had not learned of this enrollment or notified Medicaid, or (2) the Medicaid agency had failed to act upon the information.

  - In the other 34 study cases (11 percent), the dependent child(ren) listed on the health insurance policy did not include the Medicaid child. In these cases, Medicaid could have avoided the costs of the child's medical care if the CSE agency had enforced the Medicaid child's enrollment in the absent parent's health insurance. The absent parent would not have incurred any additional cost since dependent coverage was already included in the health insurance premiums.

- Review of existing court orders containing medical support revealed that State CSE agencies require most absent parents to provide their dependents with private health insurance coverage and to be responsible for:

  - all extraordinary medical, dental, orthodontic and optical expenses; and

  - payment of deductibles, coinsurance and noncovered services.

  If absent parents were held liable for all such expenses, Medicaid would obtain additional savings of $7,095,387. (See Appendix C, page 13).

- Regulations proposed May 27, 1987, when finalized, will require State CSE agencies to identify existing CSE cases which have a high priority for obtaining medical support, and to petition the courts for inclusion of medical support in these cases. One potential group of high priority cases for obtaining medical support are those where the absent parent is making a child support payment.

  If all cases where a collection is being made by a State CSE agency were considered high priority, there would be 418,478 such cases. Establishing absent parent court-ordered medical support for these cases would save the Medicaid program an additional $77,343,103. Combined savings from existing and proposed regulations would be $111,237,610.

RECOMMENDATIONS

Medicaid would have saved $33,894,507 nationally if OCSE ensured that State CSE agencies enforced regulations requiring absent parents to enroll their dependent children in available, affordable employer group health insurance. In 35 percent of the cases, absent parents would incur no additional insurance cost since dependent coverage was already part of their health insurance.

Therefore, the OIG recommends that OCSE make medical support enforcement a high priority activity to ensure State compliance with the regulations requiring that State CSE agencies:

- petition the court or administrative authority in all new and amended court orders to require absent parents to provide available health insurance for their dependent children;
- require absent parents to notify the court or CSE when insurance coverage has been obtained;
- gather medical support information on CSE cases and submit the information to the State Medicaid agency;
- request employers to advise them when an absent parent's health insurance coverage lapses;
- improve audit procedures for and reviews of medical support enforcement; and
- finalize rules requiring identification of high priority CSE cases and petitions for inclusion of medical support in court orders.

RESPONSE TO DRAFT REPORT:

The Family Support Administration (FSA) and the Health Care Financing Administration (HCFA) have agreed with these findings and recommendations. The FSA/OCSE is making medical support a high priority.

APPENDIX A

METHOD USED TO DETERMINE PER-CASE SAVINGS

1. Employer Contacts - Each absent parent's employer was contacted to determine the availability of group health insurance coverage for his/her dependents. Where insurance was available, various information (e.g., insurance company name, plan number, deductible, covered services, coinsurance, etc.) was obtained from the employer or directly from the individual insurance company.

2. Medicaid Payment Histories - Using the Medicaid payment histories submitted by the States and the Current Procedural Terminology (CPT) codes indicated on them, all Medicaid billed/paid services were categorized by type of service.

3. Listing of Services - The Medicaid billed/paid service information was sorted to produce totals for each type of service for each dependent in those cases where:

   a. health insurance was available to the absent parent for dependent coverage; and

   b. services fell within each absent parents' eligibility dates for insurance coverage.

4. Savings Computations - Specific policy information collected from employer and/or the insurance company was used to calculate how much insurance would have paid for services billed to and paid by Medicaid. Actual deductibles and copayment amounts were applied to billed covered services as shown in the following sample calculation. In instances where the calculated private insurance payment was higher than the Medicaid allowed/paid amount, the lower Medicaid paid amount was used in the savings calculation.

A1

METHOD USED TO DETERMINE PER CASE SAVINGS (CONTINUED)

Type Service	Billed to Medicaid	Paid by Medicaid
Office Visit	$259.35	$196.38
Hospital Inpatient	568.55	299.24
Emergency Room	77.20	43.76
Eye Care	40.00	25.00
	$945.10	$564.38

Amount Billed to Medicaid:	$ 945.10	
Less Insurance Noncovered Services	- 40.00	(Eye Care)
	$ 905.10	
Less Deductible	-250.00	
	$ 655.10	
Less 20% Copay	-131.02	
SAVINGS: (Amount that would have been paid by private insurance)	$ 524.08	

A2

APPENDIX B

SAVINGS PROJECTIONS

(CO-PAY/DEDUCTIBLE APPLIED)

STATE	COURT ORDERS	PAYING CASES	ANNUAL	SAMPLE	SAVINGS FOUND	STATE PROJ (QRT)	STATE PROJ (YR)	STATE MEAN	SMP PROB	TOTAL NAT PROJ
AR	1,464	517	2,068	40	$1,770.26	$22,880.61	$91,522.44	$44.26	1.51%	$6,061,088.87
CA	9,857	5,914	23,656	40	$19,831.65	$2,932,109.45	$11,728,437.81	$495.79	10.16%	$115,437,380.02
MI	6,960	4,342	17,368	40	$10,767.23	$1,168,782.82	$4,675,131.27	$269.18	6.93%	$67,462,211.63
MO	5,651	890	3,560	40	$11,667.24	$259,596.09	$1,038,384.36	$291.68	5.83%	$17,811,052.49
NC	3,416	1,798	7,192	40	$3,346.19	$150,411.24	$601,644.96	$83.65	3.52%	$17,092,186.42
OH	3,264	2,164	8,656	40	$4,453.99	$240,960.86	$963,843.44	$111.35	3.36%	$28,685,816.55
PA	7,975	3,767	15,068	40	$2,289.40	$215,604.25	$862,416.98	$57.24	8.22%	$10,491,690.75
UT	1,097	334	1,336	40	$4,143.81	$34,600.81	$138,403.25	$103.60	1.13%	$12,248,075.58
VA	1,645	612	2,448	40	$8,266.96	$126,484.49	$505,937.95	$206.67	1.70%	$29,761,056.00
TOTALS	41,329	20,338	81,352	360	$66,536.73	$5,151,430.62	$20,605,722.46	$184.82	MEAN	$33,894,506.48
									VAR	1.2690251575E+15
									STD	35623379.3667
									STD ERR	11874459.7889
									L 90%	$14,361,020.13
									U 90%	$53,427,992.83
									CV	35.03%

APPENDIX C

SAVINGS PROJECTIONS

(CO-PAY/DEDUCTIBLE NOT APPLIED)

STATE	COURT ORDERS	PAYING CASES	ANNUAL	SAMPLE	SAVINGS FOUND	STATE PROJ (QRT)	STATE PROJ (YR)	STATE MEAN	SMP PROB	TOTAL NAT PROJ
AR	1,464	517	2,068	40	$3,026.60	$39,118.81	$156,475.22	$75.67	1.51%	$10,362,597.35
CA	9,857	5,914	23,656	40	$20,057.42	$2,965,489.55	$11,861,958.19	$501.44	10.16%	$116,751,556.97
MI	6,960	4,342	17,368	40	$12,298.09	$1,334,957.67	$5,339,830.68	$307.45	6.93%	$77,053,833.74
MO	5,651	890	3,560	40	$13,270.68	$295,272.63	$1,181,090.52	$331.77	5.83%	$20,258,842.54
NC	3,416	1,798	7,192	40	$6,098.12	$274,110.49	$1,096,441.98	$152.45	3.52%	$31,148,919.77
OH	3,264	2,164	8,656	40	$7,574.70	$409,791.27	$1,639,165.08	$189.37	3.36%	$48,784,675.00
PA	7,975	3,767	15,068	40	$3,406.00	$320,760.05	$1,283,040.20	$85.15	8.22%	$15,608,761.56
UT	1,097	334	1,336	40	$5,406.39	$45,143.36	$180,573.43	$135.16	1.13%	$15,979,949.20
VA	1,645	612	2,448	40	$9,155.53	$140,079.61	$560,318.44	$228.89	1.70%	$32,959,908.00
TOTALS	41,329	20,338	81,352	360	$80,293.53	$5,824,723.43	$23,298,893.72	$223.04	MEAN	$40,989,893.79
									VAR	1.2375035503E+15
									STD	35178168.6604
									STD ERR	11726056.2201
									L 90%	$21,700,531.31
									U 90%	$60,279,256.27
									CV	28.61%

APPENDIX D

ABSENT PARENT MARITAL STATUS

NEVER MARRIED	127
MARRIED	3
SEPARATED	94
DIVORCED	74
UNKNOWN	25

ABSENT PARENT PROFILE DATA

STATE	AVERAGE ABSENT PARENT AGE	AVERAGE CUSTODIAL PARENT AGE	AVERAGE AFDC GRANT AMOUNT*	AVERAGE ABSENT PARENT SUPPORT AMOUNT*
AR	30	28	$249.11	$92.37
CA	32	30	$444.80	$196.00
MI	29	27	$446.19	$176.39
MO	31	29	$261.44	$130.04
NC	34	32	$235.00	$118.01
OH	34	30	$275.67	$124.08
PA	34	29	$369.48	$190.04
UT	29	28	$355.56	$147.80
VA	30	24	$251.12	$117.81
MEAN	31	29	$320.93	$144.39

*PER CASE AMOUNT

APPENDIX E

STATISTICAL DATA BY STATE

STATE	SAMPLE SIZE	SAMPLE CASES DROPPED	SAMPLE CASES REVIEWED	EMPLOYER INSURANCE CONTACTED	DEPENDENT HEALTH INSURANCE AVAILABLE	DEPENDENT ENROLLED
AR	40	4	36	31	17	7
CA	40	2	38	32	21	12
MI	40	3	37	31	24	14
MO	40	9	31	27	19	12
NC	40	2	38	30	22	12
OH	40	3	37	25	24	13
PA	40	3	37	30	25	19
UT	40	5	35	27	17	9
VA	40	6	34			
TOTAL	360	37	323	266	194	112

APPENDIX F

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of
Child Support Enforcement

Refer to:

Memorandum

Date: August 21, 1987

From: Director
Office of Child Support Enforcement

Subject: OIG Draft Report: "Child Support Enforcement/Absent Parent Medical Liability," OAI-86-07-00045

To: Richard P. Kusserow
Inspector General

As Bob Harris, OCSE Associate Deputy Director, indicated in the exit conference with your staff, we are in agreement with the recommendations contained in draft audit report on Absent Parent Medical Liaibility and are making medical support a high priority. It should be noted that two states contained in your sample legitimately did not have legislation in place for all or part of the audit period. I agree that it is appropriate to include them in your projections, but recommend that the final report acknowledge that implementation of medical support legislation had not yet occurred in these states. California enacted its legislation on August 26, 1986 and implemented it on March 10, 1987. Pennsylvania enacted its legislation on October 18, 1985, and implemented it on January 28, 1986, during the audit period, and within the period required by Federal statute.

I look forward to the results of the second part of your study to be done next year focusing on medical support ordered but not pursued. The Office of Child Support Enforcement has begun discussions with its counterparts in the Health Care Financing Administration to address specific areas for review in that area. We will share the ideas which result from these discussions for your use in planning your study.

Thank you for the opportunity to comment on the report.

Wayne A. Stanton

F1

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care
Financing Administration

Memorandum

Date AUG 27 1987

From William L. Roper, M.D.
Administrator

Subject OIG Draft Report: "Child Support Enforcement/Absent Parent Medical Liability," OAI-86-07-00045

To The Inspector General
Office of the Secretary

We have reviewed the OIG draft report and are very interested in the findings. Although the conclusions are based on data derived from a relatively small sample, there is clear indication that more should be done by State child support enforcement agencies to identify and enforce medical support through absent parents.

We wish to note that the data collected through this study reflect activities conducted by child support enforcement agencies during the first three months of implementation of the new regulation. We would hope that performance would improve with the passage of time and experience. We look forward to reviewing the results of the OIG study which will be conducted to monitor how well the system is working two years after the medical support requirements were implemented.

Staff from the Health Care Financing Administration and the Office of Child Support Enforcement (OCSE) are planning to conduct joint program reviews in Fiscal Year 1988 to monitor States' implementation of the medical support requirements. We are in the process of working with OCSE in developing a protocol to review the States. We will certainly take into consideration the OIG study in developing our protocol. Also, we would be interested in obtaining any additional data available from OIG on the study.

We support the recommendations made by OIG, particularly the recommendation that the OCSE make medical support enforcement a higher priority activity. The greater the emphasis on medical support enforcement, the more Medicaid savings will be realized.

Thank you for the opportunity to comment on this draft report.

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