



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

Senate Bill 707(as reported without amendment)  
Sponsor: Senator John J.H. Schwarz, M.D.  
Committee: Health Policy and Senior Citizens

**CONTENT**

The bill would amend the Support and Visitation Enforcement Act to require the local Friend of the Court (FOC) offices to initiate enforcement, and take other actions, to force the compliance of a parent who failed to obtain or maintain health care coverage for a child as ordered by the court; provide for the enrollment of a child in a parent's health care coverage under certain circumstances if the parent were ordered by a court to provide coverage; and require FOC offices to notify the Department of Social Services if the offices identified situations in which health care coverage had been obtained or maintained for a child who was receiving public or medical assistance.

The bill provides that if a parent failed to obtain or maintain health care coverage for the parent's child as ordered by the court, the FOC would have to do either of the following: petition the court for an order to show cause why the parent should not be held in contempt for failure to obtain or maintain dependent health care coverage that was available at a reasonable cost; or send notice of noncompliance to the parent, stating that the office would notify the parent's employer to deduct premiums for and to notify the insurer or plan administrator to enroll the child in, dependent health care coverage unless the parent, within 14 days after the mailing of the notice, either submitted written proof to the FOC of the child's enrollment in a coverage plan, or requested a hearing to determine the availability or reasonable cost of the coverage.

MCL 552.602 et al

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 on the FOC 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

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