
REPORT TO THE CONGRESS

ON

DEVELOPMENT
OF A MEDICAL SUPPORT INCENTIVE
FOR THE CHILD SUPPORT ENFORCEMENT PROGRAM



I. JUNE 23, 1999

Statutory Authorization

The Child Support Performance and Incentive Act of 1998 (CSPIA) requires the Secretary of Health and Human Services, in consultation with States and advocates for children in need of medical support, to develop a performance indicator that would measure the effectiveness of State child support enforcement agencies in establishing and enforcing medical support obligations for children. The Secretary is required to submit a report to Congress containing recommendations on a medical support indicator and its integration with the new performance-based incentive funding system by October 1, 1999.

Coordination with Medical Child Support Working Group

CSPIA also included a provision which required the Secretaries of Health and Human Services and Labor to form a separate Medical Child Support Working Group. This group, which will continue to meet over the next six months is charged with making recommendations on a broad range of impediments to medical support enforcement. Communication and coordination between this interdepartmental group and those involved in developing a medical support incentive will be facilitated by the fact that there are individuals with membership on both groups.

Summary of Medical Support Indicator Work Group Recommendations

The Federal Office of Child Support Enforcement formed a Medical Support Indicator Work Group of Federal, State and advocacy group representatives which met on June 2, 1998 and March 2-3, 1999. This document represents the consensus recommendations of the Work Group.

On June 2, 1998, the Work Group had some preliminary discussions regarding a medical support incentive indicator. At that time, however, the group was concerned about the lack of available data regarding medical support obligation establishment and enforcement. The Work Group reviewed and discussed the previously suggested performance indicators regarding medical support. It concluded that it would like to review any available data at its next meeting in order to make any recommendations regarding an incentive measure.

At the March 2-3, 1999 meeting, the Work Group reviewed available data on medical support. Only seven States were able to provide data and some of those States had concerns about its validity. Census data was also reviewed and found to be unsatisfactory because it included information beyond the IV-D program's caseload and the data could not be segregated by State. A performance standard for medical support enforcement could not be set based on such limited and invalid data.

In addition, the medical support indicator was to be developed well in advance of necessary improvements to enforcement and data reporting that would result from separate medical support provisions of CSPIA. These provisions are required to be implemented over a number of years.

Because of the need for valid data from more States and ongoing efforts to implement separate statutory requirements on medical support enforcement, the Work Group agreed to recommend to the Secretary delaying the development of a medical support indicator and rather submitted an implementation plan for meeting this requirement in the future. The table at Attachment A displays the recommended implementation plan for development of the medical support indicator. This plan includes activities by the Federal OCSE and States and recognizes other statutory requirements that will come into effect. As part of this plan, the Work Group recommends submitting a second report to the Secretary by March 1, 2001. The second report will recommend that the Secretary submit a report to Congress by June 1, 2001 which would finalize the medical support indicator and performance standard and recommend the manner of integrating these with the new incentive funding system.

The recommendations of the Work Group have been circulated to all States and discussed at a regional level. There is a consensus that the Work Group should proceed as suggested, postponing the recommendation of a new incentive measure until more data are available and until after the HHS/Labor Medical Child Support Working Group makes its recommendations for program changes.

Medical Support Indicator Implementation Plan

The Medical Support Indicator Work Group believed that an implementation plan should be provided to describe the various activities and requirements in the area of medical support enforcement in order to see them as connected elements.

Initially, some experience is needed in gathering and reporting medical support data for later analysis and consideration. Federal auditors are conducting ongoing data reliability assessments which include an examination of key medical support data elements. Further useful information on medical support enforcement can be learned from State self assessments of their child support programs. Final regulations on a National Medical Support Notice will be issued in 2000, which will assist with State efforts at enforcement and reporting of data. The Secretaries of HHS and Labor will report to Congress in 2000 on the broader recommendations of the Medical Child Support Working Groups.

It is proposed that the Medical Support Indicator Work Group reconvene to review collected data and develop the indicator with a Secretary's report to Congress by mid 2001. The Work Group also recommends that the effective date of the new indicator coincide with the first full year of the performance-based incentive system, FY 2002. States will then be required to use the National Medical Support Notice by October 1, 2001. A description of the individual elements of the implementation plan begin on the following page.

1. Gather Medical Support Data

The new Federal data reporting form OCSE-157 will provide the following data on medical support:

- Line 21 - Cases Where Medical Support is Ordered (includes cash medical support and/or health insurance coverage)¹
- Line 22 - Cases Where Health Insurance is Ordered²
- Line 23 - Cases Where Health Insurance is Provided as Ordered³

The Work Group will consider the above data elements in developing the medical support indicator at a later date. Definitional issues will also be refined as States continue to gain experience gathering and reporting this data.

States are required to report on Federal Fiscal Year (FY) 1999 performance using the new OCSE-157 by October 30, 1999. At the time of the March 2-3 meeting, approximately 30 States had not begun programming the new data

¹ OCSE-157 Line 21 instructions: Report the number of cases open on the last day of the fiscal year for which medical support is ordered to be paid. This includes cash medical support and/or health insurance coverage. Include cases where the custodial or the noncustodial parent is ordered to provide the medical support. (OCSE-AT 98-20)

² OCSE-157 Line 22 instructions: Report the number of cases on the last day of the fiscal year where health insurance is ordered. Do not include orders for cash medical support (where there is no health insurance policy). Include all cases with orders where health insurance is addressed, however States may exclude cases where the unavailability of health insurance at reasonable cost is confirmed. The cases reported on line 22 are a subset of and should have been counted on line 21. (OCSE-AT 98-20)

³ OCSE-157 Line 23 instructions: Report the number of cases open on the last day of the fiscal year in line 22 for which health insurance was actually provided as stated in the order. Count only one order per case. Do not include Medicaid and cash medical support (where there is no health insurance policy). These cases are a subset of and should have been counted in line 22. (OCSE-AT 98-20)

elements required by the OCSE-157, while 16 had just initiated programming efforts. Only 7 States were able to provide some data with limited validity.

2. Assess Data Reliability

Auditors from the Federal OCSE are currently conducting data reliability assessments in a number of States that volunteered to pilot the data needed for reporting required elements of the new performance-based incentive funding system to be phased-in beginning in FY 2000. This assessment will expand to more States as they complete programming of the new reporting elements. Because of the prospective need for reliable data on medical support enforcement, Federal auditors will include a reliability assessment of the medical support data elements from the form OCSE-157. The goal for completion of all State data reliability assessments is October 1, 2000.

3. Review State Self Assessments

States are now conducting self assessments of their IV-D programs which are required by Section 454(15) of the Social Security Act. The States' first annual self assessments are due by March 31, 1999. The results of these self assessments will contain useful information with regard to medical support enforcement. The Work Group felt that this information would be critical in allowing them to set medical support performance standards.

4. Issue Final Regulation on National Medical Support Notice

CSPIA required that the Secretaries of HHS and Labor issue interim regulations requiring the use of a National Medical Support Notice. These rules, which are expected to be published by January 2001, will assist States with medical support enforcement efforts and contribute to the reliability of reported data.

5. Issue Medical Child Support Working Group Report

The Secretaries of HHS and Labor are required to submit a joint report on the recommendations of the Medical Child Support Working Group to Congress by March 20, 2000.

6. Set Medical Support Indicator Performance Standard and Recommend Integration with Incentives

The Medical Support Indicator Work Group proposes to meet in January of 2001 to review available data on medical support enforcement, finalize definitional aspects of the medical support indicator, set a performance standard and make recommendations regarding integration of the indicator with the incentive system. Two years of data with improved reliability will be available at that time. The Work Group will also be able to review further information from State self assessments at that time.

7. Report to the Secretary, HHS and Implementation of Medical Support Indicator

The Work Group will submit its recommendations on the measure, performance standard and integration with the incentive system in a report to the Secretary of Health and Human Services by March 1, 2001. The report will recommend that the Secretary submit a second report to Congress by June 1, 2001. The Work Group recommends that the second report include an effective date of the new medical support incentive measure which coincides with the first full year of the new incentive system in FY 2002, beginning October 1, 2001. FY 2001 would provide a baseline or

comparison year just as FY 1999 State performance will provide a baseline for determining improvement in the other incentive measures.

8. Monitor State Laws on Medical Support

CSPIA requires that States must use the National Medical Support Notice, by October 1, 2001, or if legislation is needed, pass any necessary State laws during the first legislative session which begins after that date.

Attachment A

Medical Support Indicator Implementation Plan			
FY 1999	FY 2000	FY 2001	
<ul style="list-style-type: none"> • States Gather MS Data • States Conduct Self Assessments • Auditors Assess MS Data Reliability • Proposed Nat'l Medical Support Notice Regulations Issued 	<ul style="list-style-type: none"> • States Report FY 99 Data to OCSE 10/30/99 • States Conduct Self Assessments • Auditors Assess MS Data Reliability • Final Nat'l Medical Support Notice Regulations Issued 	<ul style="list-style-type: none"> • States Report FY 00 Data to OCSE 10/30/00 • States Conduct Self Assessments • Auditors Complete MS Data Reliability Assessments 10/1/00 • Work Group Finalizes Indicator, Standard and Integration w/ Incentives by 1/30/01 • Work Group Reports to Secretary 3/1/01 • Secretary Reports to Congress 6/01/01; Necessary Congressional Action 	<ul style="list-style-type: none"> • Nat'l Imple 10/01 • MS I • Data Conti