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Agenda

1. What is a QMCSO and who can be covered?
2. What information is required for a medical child support order to be qualified?
3. What types of health plans are required to recognize QMCSOs?
4. What are an employer’s obligations when it receives a National Medical Support Notice and which plans are covered?
5. How has Health Care Reform impacted these rules?
6. Questions?
What is a Qualified Medical Child Support Order (QMCSO)?

- **Qualified Medical Child Support Order (QMCSO)**
  - Order of a state court or agency requiring a group health plan to provide coverage for alternate recipient (child)
  - Medical child support order that has been deemed “qualified” by the plan administrator.

- An “order” is usually a stand alone document but, in some instances, can be a part of another document such as a divorce decree.

Source: [www.dol.gov](http://www.dol.gov)
What information is required for a medical child support order to be qualified?

- The name and address of the participant
- The name and address of the alternate recipient(s)
- A reasonable description of the coverage to be provided
- The period to which the order applies

Source: www.dol.gov
Who determines whether a medical child support order is qualified?

• The administrator of the group health plan is required to determine whether an order is *qualified* and needs to make this “determination within a reasonable amount of time pursuant to the reasonable written procedures that have been adopted by the plan.”

• “The administrator must first notify the participant and the alternate participant when the plan receives a medical child support order and must give them copies of the plan’s procedures for determining whether it is qualified. The administrator must notify those parties of its determination whether or not the order is qualified.”

Source: www.dol.gov
Who can be covered by a QMCSO?

- Any child of a participant who is named in a medical child support order
- Typically this will be a child(ren) of an employee who does not have custody.

“Children” have the same rights as the participants of the plan.

- Right to receive benefits under a group health plan
- Right to receive benefit payments directly from the group health plan
- Right to receive all information that is provided to participants of the plan (SPD, SMM and SAR)

Source: www.dol.gov
What types of health plans are required to recognize QMCSOs?

• QMCSOs apply to “group health plans” subject to the Employee Retirement Income Security Act of 1974 (ERISA). A “group health plan generally is a plan that both: is sponsored by an employer or employee organization (or both) and provides “medical care” to employees, former employees, or their families.

• “Medical care” means amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of a disease; for the purpose of affecting any structure or function of the body; transportation primarily for or essential to such care or services; or for insurance covering such care or services.

• ERISA does not generally apply to plans maintained by: Federal, State or local governments; churches; and employers solely for purposes of complying with applicable workers compensation or disability laws. However, provisions of the Child Support Performance and Incentive Act (CSPIA) of 1998 require church plans to comply with QMCSOs and National Medical Support Notices, and State and local government plans to comply with National Medical Support Notices.”

Source: www.dol.gov
What plans are covered by the notice?

• Medical
  • HMO/PPO/POS
  • HDHP/HSA
• Dental
• Vision
• Health FSA
• Medical Plan with an HRA
• COBRA
• Limited Benefit Plans
• Mini Meds

Source: www.dol.gov
Reasons a plan or insurer **cannot** deny coverage:

- The child was born out of wedlock
- The child is not claimed as a tax dependent
- The child does not reside with the employee
- The child does not live in the insurer’s service area

Source: [www.dol.gov](http://www.dol.gov)
What are the plan administrators responsibilities?

• Procedures to determine the status of orders
  • Must be in writing
  • Must specify that the alternate recipient will be notified of the plan’s procedures
  • Must allow an alternate recipient to designate a representative to receive notices (i.e. custodial parent or state agency)

• Notify the participant and alternate recipient of:
  • The receipt of the order
  • The plan’s procedures for determining if the order is qualified (this should be done in a “reasonable time” as determined by the plan)

Source: [www.dol.gov](http://www.dol.gov)
What are the plan administrators responsibilities? Continued…

- After determining if all the required information has been submitted and is considered complete, the participant and alternate participant must be notified.
  - Letter accepting the order as a QMCSO
  - Letter rejecting the order
- Notify the participant or alternate participant of the following:
  - Effective date
  - A description of the coverage (e.g. SPD)
  - Any forms necessary for enrollment

Source: www.dol.gov
Enrolling the Child

- The child must be enrolled on the earliest date possible
- If the employee is eligible but not enrolled then both Must enroll
- If the employee is not yet eligible
  - Qualify the order then enroll the child with employee at a later date
- The employer must determine whether contributions can be withheld without violating federal or state wage limits.
- Keep in mind that a judgment, decree or order is a change in status event. The order should provide a “reasonable description” as to the type of coverage.
- Typically, the same coverage as the employee is provided.

Source: www.dol.gov
Enrolling a Child - Continued

Note: An employer is not required to adhere to the terms of a QMCSO when the employer does not offer dependent or family coverage to any of its employees. Additionally, a child may be disenrolled later if the employer eliminates dependent or family health coverage for all of its employees.

Source: www.dol.gov
Disenrolling a child

• Coverage ends when the period specified in the order ends
• Coverage can end at the same time as for any other dependents covered under the plan
• The plan should notify the agency of the employee’s termination
• COBRA applies for the alternate recipient

Note: Not related to QMCSO (Additions/Terminations), but, previously enrolled children can continue under the plans extension of coverage rules, if any apply.
National Medical Support Notice (NMSN)

- Standardized Notice used by state child support enforcement agencies to enforce medical child support organizations
  - Part A - Notice to withhold and employer response
  - Part B – Notice to Plan Administrator and response
- A properly completed NMSN is also a QMCSO.

Source: www.dol.gov
National Medical Support Notice – NMSN Part A

• If the named individual:
  • Is not an employee
  • Is among a class that is not eligible for benefits
  • If the employer does not cover dependents

• Check the appropriate box and return to the issuing agency within 20 days

Otherwise…

• Transfer Part B to the Plan Administrator

Source: www.dol.gov
National Medical Support Notice – NMSN Part B

- Determine if Notice is appropriately completed
  - Name of issuing agency
  - Name and address of the employee
  - Name and address of the child(ren) to be covered

- If complete, NMSN is a QMCSO
  - Sent Part B response to issuing agency within 40 days
  - Effective date
  - Send notice to custodial parent with description of coverage
  - Notify employer to withhold

- If participant is not enrolled and there is more than one option
  - Use Plan Administrator Response to notify agency of available options
  - If no response within 20 days, use default option listed by the plan if there is one

Source: www.dol.gov
Questions

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