



**Member Guide**

**National Medical Support Notice  
and Qualified Medical Child Support Orders**

**Administrative Procedures**

**February 2018**

## Introduction

This Guide, developed by VEHI in conjunction with Gallagher Benefits Services, provides a brief explanation of both a Medical Child Support Order (MCSO) and the National Medical Child Support notice (NMSN). It contains sample procedures, checklists and letters to assist VEHI Member employers (school districts and supervisory unions) in creating the required detailed procedures and to provide a 'starting point' in the administrative process. It is important each VEHI Member review the requirements and template materials thoroughly before creating appropriate procedures for its group health plan. Before implementing procedures to comply with the federal requirements, VEHI Members should have all documents approved by their legal counsel.

Please note, VEHI Member employers are both the *sponsor* and *administrator* of VEHI health plans for their employees. With the support of VEHI and BCBSVT, the school district or SU assumes responsibility for the proper administration of the health plan and its terms. One of those responsibilities is administration of *Medical Child Support Orders* and *National Medical Support Notices*.

As employer and plan administrator, each VEHI Member is required to respond to a participant's request for a copy of detailed procedures used by the group health plan to determine if the court order of National Medical Support Notice is valid. As used here, the term *participant* includes the employee, the employee's spouse and any beneficiary under the plan.

The terms *employer* and *plan administrator* are referred to as separate entities in much of the materials and throughout the National Medical Support Notice and the associated instructions. For purposes of VEHI Members, the *employer* and the *plan administrator* is the school district or SU. Generally, where the term *employer* is used the activity relates to wage withholding and payroll. Where the term *plan administrator* is used, the activity relates to the benefit plan and coverage. We recommend VEHI Members identify the specific positions within their organization responsible for the various procedures, activities and recordkeeping.

## Two Methods/One Goal

The National Child Support Initiative provides a standardized method for states to administer 'medical child support orders.' Employers offering group health plan coverage to their employees are required to comply with these official enforcement orders. Employer compliance with these laws includes the requirement to establish written procedures for compliance and to notify employees they are entitled to a copy of the procedures upon request.

There are two types of documents used to require employer health plans to withhold contributions from employees' earnings and to require coverage for children named in the documents.

### National Medical Support Notices (NMSN)

**National Medical Support Notice.** The National Medical Support Notice ("NMSN") is the exclusive document a state child support enforcement agency must use to enforce the health care coverage provisions of child support orders. This Notice has two parts and includes instructions for the use of the form. The Notice assumes there are two parties involved in the administration of the Notice, the employer and a separate plan administrator. In most cases, including VEHI members, the employer assumes the role of both entities. (See included sample form.)

The NMSN is a national, "one-size-fits-all" form used for enrolling and processing the child of an employee who must provide medical support. The NMSN is actually four documents and instructions and specific deadlines by which the various entities must act:

- **Part A -Notice to Withhold for Health Care Coverage** - Sent to the employer with the rest of the packet by the child support agency.
- **Employer Response** – This form is completed and returned to the child support agency within 20 business days **only** (1) if health plan coverage is not available, (2) you have terminated the employee or (3) there is not enough income to withhold the premium. If the review of Part A determines the employee's earnings are sufficient to enroll the alternate beneficiary (child or children), Part B of the Notice must be completed (generally this will be handled by the employer's benefits department.)
- **Part B - Medical Support Notice to Plan Administrator** (in the case of VEHI Members, Part B will be handled by the benefits department of the employer) – In cases where the employer and the plan administrator are not the same, this document must be forwarded to your health care plan administrator within 20 business days.
- **Plan Administrator Response** - Completed by the plan administrator [employer benefits department] using the instructions and returned to the child support agency. The plan administrator notifies you of the employee's payment once enrollment is complete.

## Medical Child Support Order (MCSO)

A **Medical Child Support Order** is issued under state domestic relations laws. These must meet the requirements in the law described below. Employers presented with an Order must review it to determine if it meets the requirements to be 'qualified' (a *Qualified* Medical Child Support Order or QMCSO).

A court order that allocates the responsibility of one of the parties to provide medical insurance to a child under an employer health plan. It is only enforceable where the child, as a dependent of the parent or employee, is eligible for plan coverage (that is, the group health plan offers health plan coverage to the children of employees). The Order must include certain specific information and meet other legal requirements. Although most public employers (e.g., school districts) are not directly subject to a MCSO, the Order is interchangeable with a National Medical Support Notice. It is best practice to work with both Orders and Notices received.

1. A **Medical Child Support Order** is a judgment, decree or order issued by a court that requires a group health plan to provide coverage for an “alternate recipient.” A *Qualified* Medical Child Support Order is the same order; however, it has been reviewed by the employer to determine if it contains the required information to deem the Medical Child Support Order *Qualified*.
2. An **alternate recipient** is the participant’s child for whom coverage is being ordered.
3. An **alternate recipient's designee** is the adult designated by the Medical Child Support Order to act on behalf of the child (alternate recipient). This is generally, but not always, the custodial parent. The designee is legally entitled to copies of health plan correspondence generally sent to employee-participants, for example benefit booklets, SBCs and copies of any other plan-related materials. The employer must provide the Designee with benefit plan coverage information when the Order is determined Qualified. Any future requests for plan information by the Designee must be honored. Employers must also remember to include the Alternate Recipient's Designee in any automatic plan information distribution. Finally, claim payments made under the health plan that not assigned to the health care provider must be made to the designee (it is very important the claim administrators, such as BCBSVT or Delta Dental, be advised of the status of these dependents).
4. The group health plan must establish reasonable procedures to determine whether medical child support orders are QMCSOs and to administer the provision of benefits under qualified orders. Plan materials provided to employees/participants must (1) include the procedures or (2) include information about QMCSOs and explain a copy of the procedures are available upon request at no cost.

## **Materials Related to this Guide**

- Sample QMCSO Procedures (2)
- Sample Checklist for Assessing Whether an Order or Notice Is a QMCSO (3)
- Sample Record of Completed QMCSO Procedures (4)
- Sample Letter Acknowledging Receipt of an Order or Notice (5)
- Sample Letter Accepting a Court Order or Notice as a QMCSO (6)
- Sample Letter Rejecting an Order or Notice (7)