



Oregon Department of Justice

Oregon Child Support Program

Supporting Parents to Support Children

Issue Title: Guidelines Review Policy Paper on Healthcare Coverage

Prepared by: Alexandra Popescu, Policy Team

ISSUE IN BRIEF: Federal law requires states to regularly review their guidelines for setting child support orders ([45 CFR 302.56](#)). As part of the Oregon Child Support Program Guidelines Review Project, we are reviewing our current medical support guidelines and determine what, if any, changes are needed. The Center for Policy Research (CPR) wrote an economic study¹ that addresses the different guidelines factors (income, self-support reserve, obligation scale, parenting time, medical expenses, etc.) and how socioeconomic trends impact them. This paper summarizes the medical support analysis included in the economic study and provides an overview of the cost and availability of healthcare for children in Oregon, including potential options and considerations for changing the Oregon medical support guideline, such as clarifying or simplifying reasonable in costs (i.e., recognize OHP as healthcare coverage and do not prioritize private healthcare coverage).

REFERENCES:

[45 CFR 302.56](#)

[ORS 25.323](#)

[OAR 137-050-0750 \(Medical Support\)](#)

[Oregon Health Authority - Health Systems Division: Medical Assistance Programs - Chapter 410](#)

[Oregon Health Plan \(OHP\) Handbook](#)

[OHP Data and Reports Page](#)

[Oregon Health Authority – Quick Guide to Income Eligibility](#)

[Care Oregon – Am I Eligible for the Oregon Health Plan \(OHP\)?](#)

BACKGROUND: The current medical support guideline in Oregon is laid out in [OAR 137-050-0750 \(Medical Support\)](#). The guideline rule explains how medical support is calculated in Oregon orders. Briefly, parents must be ordered to provide public healthcare coverage for their child, depending on availability and cost. When private healthcare coverage is available to a parent at a reasonable cost as defined in administrative rule, the parent must be ordered to provide it. This must currently happen even though public healthcare coverage such as Oregon Health Plan (OHP)² may be available at **no cost**. Under the current guidelines, private healthcare coverage is considered reasonable in cost if it does not cost more than the total of 4% of each parent's adjusted income.³ When both parents have appropriate private healthcare coverage that is both accessible and available at a reasonable cost, the parent with the greater share of parenting time⁴ can choose which coverage should be ordered.

When the parents do not have access to private healthcare coverage that is appropriate in cost, the guideline rule provides that one or both parents must be ordered to provide private health care coverage if it becomes available and order the parent with the majority of the parenting time to provide public healthcare coverage for their child. Moreover, whenever this provision applies, the parent with the child support obligation must be ordered to pay cash medical support, or the order must include a finding that explains why cash medical support is not ordered. In the past, many

¹ *Review of the Oregon Child Support Guideline: Economic Data on Cost of Raising Children, Scale Update, and Other Issues* (Center for Policy Research, July 2023)

² [Oregon Health Plan: Medicaid and CHIP Population Aid Categories](#)

³ Income determined pursuant to [OAR 137-050-0720 \(Adjusted Income\)](#)

⁴ Parenting time determined pursuant to [OAR 137-050-0730 \(Parenting Time\)](#)

paying parents were ordered to provide private healthcare coverage whenever available and appropriate, and to pay cash medical support whenever such coverage was not provided.

When the parents' incomes are at or below the highest Oregon minimum wage for full-time employment, healthcare coverage can only be ordered when available at no cost.

SUMMARY OF FINDINGS:

Case Sampling: To better understand the issues our current guidelines have, we selected 359 random program cases that had an administrative order with a guideline calculation entered between April 2018 and March 2022. What we found was that almost half of the paying and receiving parents on these cases had incomes at or below minimum wage. This means that no healthcare coverage amount was reasonable in cost for those parents.

OHP Data: The Oregon Health Authority (OHA) has a comprehensive list of reports and data regarding Medicaid and OHP recipients in Oregon. According to the [Medicaid Monthly Population Report for Oregon](#), as of November 2024, there are **1,432,473** current Medicaid/OHP recipients in Oregon. Of these recipients, OHA reports⁵ that:

- **140,729** are in the 0 to 5 age group.
- **352,896** are in the 6 to 18 age group.

A 2017 OHA report⁶ indicated that more than 3.7 million Oregonians had healthcare coverage. Of those, about 26% were enrolled in OHP. This means that approximately 962,000 Oregonians were receiving OHP in 2017. By comparing today's numbers to the 2017 data, the number of OHP recipients has increased by over 36% in almost seven years.

Survey feedback: The healthcare coverage question⁷ in the survey received overall similar response from parents, staff, and partners. Most answered *yes – public health coverage should be ordered even when private coverage is affordable and available to the parents.*

Among the comments received, the ones about OHP healthcare coverage often being better than private coverage are most notable. Many survey respondents indicated that OHP is more affordable, more accessible, and overall better than private health coverage. Several also indicated that parents should at least have the flexibility to choose which type of coverage they want to enroll their children in when both private and public coverage are available.

Only a couple survey respondents commented that dental and vision coverage should be considered in the medical support guideline. However, including dental, vision, prescription drug, and mental health coverage in the medical support guideline would align with the federal guidance as the recent updates⁸ to the National Medical Support Notice (NMSN), which now includes sections for these types of coverage.

ANALYSIS: Like all state child support agencies, the Oregon Child Support Program is federally required to have a medical support guideline. While our current medical support guideline is overall robust, it could use some improvement. Specifically, it doesn't accurately address the current gap in healthcare coverage that exists for Oregon children whose parents earn too much to qualify for

⁵ For more information, see [Coordinated Care Organization \(CCO\)/Open Card Enrollment by Age Group](#).

⁶ [2017 Oregon Health Insurance Survey – Gaps in Health Insurance Coverage Fact Sheet](#).

⁷ The survey question was: "Ordering public vs. private health care coverage (OAR 137-050-0750). Currently, the guidelines prioritize requiring private health care coverage even when public coverage (such as the Oregon Health Plan) is available, and the child qualify for it. State and federal law no longer require this priority. **Should public health care coverage be ordered even when private coverage is affordable and available to parents?**"

⁸ See [Part B - Medical Support Notice to the Plan Administrator \(OMB 1210-0113\) \(PDF\)](#), [AT-23-01 Revised NMSN Parts A and B – Expire Nov. 30, 2025](#), and [National Medical Support Notice Forms & Instructions](#).

public coverage and private coverage is not available at a reasonable cost. These families⁹ are usually left without a feasible solution or option.

To address this issue and attempt to close the gap, CPR recommends to no longer prioritize private healthcare coverage and to treat OHP as viable coverage for all children. This recommendation also supports OHA data, which indicates that more than half of Oregon children are enrolled in OHP. Additionally, OHA reports that 9 out of 10 children who lack health coverage are eligible under OHP for a premium-reduction subsidy through the health insurance marketplace and that the main reasons for lack of OHP coverage are affordability and eligibility—or lack thereof (primarily due to making too much money).¹⁰

With the changes made as part of the *2016 Final Rule: Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs*,¹¹ the federal rule language no longer emphasizes private healthcare coverage over public coverage. On the contrary, it places both types of coverage on equal footing, thus giving states the flexibility of drafting guidelines that best suit the needs of the families they serve, which includes prioritizing public healthcare coverage such as OHP over private coverage:

*§ 302.56 Guidelines for setting child support orders.
(2) Address how the parents will provide for the child's health care needs through **private or public health care coverage** and/or through cash medical support;*

To comply with the new federal guidance, we updated our medical support statute¹² in 2017 to no longer specify that the healthcare coverage must be private, thus supporting the option of giving public healthcare coverage such as OHP and private coverage equal weight.

While both the federal rule and our Oregon statute are aligned and consistent in not prioritizing private healthcare coverage over public coverage, our medical support guideline is not, and we believe it should be.

Separate from the recommendations in CPR's economic study, the Oregon Child Support Program has been continuously receiving inquiries whether dental, vision, prescription drug, and mental health benefits are included in health care coverage. We believe this issue should be addressed through a robust discussion at the Guidelines Advisory Committee.

ISSUES TO BE ADDRESSED:

1. Status quo – leave the medical support guideline as-is. Revise language in forms for clarity.
2. Remove the private healthcare coverage priority and allow parents to enroll children in either public or private healthcare coverage, as best suits their family's needs, regardless of whether private healthcare coverage is available.
3. Include dental, vision, prescription drug, and mental health in the medical support guideline.
4. Change the 4% cap – either by lowering or increasing it. Note: there is insufficient data to estimate the impact of such changes.

GUIDELINE RULES IMPACTED:

OAR 137-050-0750 – Medical Support

⁹ We do not have sufficient data to be able to estimate how many families and children are impacted.

¹⁰ [New report: Many Oregonians who lack health coverage are eligible for premium subsidies, Oregon Health Plan](#)

¹¹ [AT-16-06 Final Rule: Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs, December 20, 2016.](#)

¹² [Senate Bill 765.](#)