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Employee Benefits – Question of the Month

April 2018

Q: I received an official-looking letter from the Kansas Department for Children and Families that says one of our employees, Mason, is required to enroll his young daughter in our group health coverage. This seems to have something to do with his recent divorce. I have a number of questions and concerns.

1. We don't allow dependents to enroll in coverage unless the employee/parent is also enrolled. We just had our open enrollment, and Mason waived coverage. Are we required to enroll his daughter in coverage? If so, can we require him to also enroll?
2. Assuming we have to enroll just the daughter, how do we determine the premium for dependent-only coverage, which is not something we typically offer?
3. Mason is a relatively low wage employee, and I'm pretty sure he waived coverage for financial reasons. What if his take-home pay isn't enough to cover the daughter's health insurance? Or if withholding the premium results in a really small check each pay period?

A: You are the lucky recipient of a Medical Child Support Order! In general, these orders require employers that offer group health coverage to enroll the children of eligible employees if they contain the following information:

- The name and last known mailing address of the participant (employee)
- Either the name and last known mailing address of each "alternate recipient" (child) or the name and mailing address of a State or local official;
- A reasonable description of the type of health coverage to be provided to each alternate recipient (but it can't require you to offer benefits not otherwise provided by your plan unless they're mandated by state law) ; and
- The period to which the order applies.

An order that meets these requirements is called a Qualified Medical Child Support Order (QMCSO). If an order isn't "qualified," you can still enroll the child in coverage but don't have to.

The regulations that apply to QMCSOs are surprisingly complicated, which can make responding to them seem more difficult than it actually is. My experience is that most employers don't have written procedures for handling MCSOs, which is required by law. If you haven't adopted such procedures, try to do so as soon as possible.

As for your specific questions: 1. You have to enroll the dependent in coverage even if the employee is not enrolled, and you can't require the employee to enroll in coverage he doesn't want; 2. While it's best to discuss this with your Account Team, the simplest approach is to subtract the employee-only premium from the employee + dependent premium; 3. Many states' wage and hour laws place limits on amounts that can be withheld, to ensure employees have enough money to live on. If complying with the order would result in over-withholding, you should notify the custodial parent and the child support enforcement agency, if the agency is involved.

As you can tell, there's more to this than meets the eye! For additional information, check out the [DOL's QMCSO Guide](#).

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