

HB177 INTRODUCED



1 HB177
2 X2A6Z7E-1
3 By Representatives Robbins, Underwood
4 RFD: Ways and Means General Fund
5 First Read: 05-Feb-25



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SYNOPSIS:

Under existing law, when a child who is approved for Medicaid is also covered by a parent's private health insurance, the private health insurance must pay before Medicaid will pay.

This bill would require a custodial parent of a child covered by Medicaid to put the child on the health care insurance offered by an employer when coverage for the child is also available. If a noncustodial parent is under an order to pay child support, the court may also order that the child be included on the parent's employer-provided health care insurance or order the parent to purchase coverage for the child.

If a parent fails to include a child approved for Medicaid on available health care coverage provided by an employer or as otherwise ordered by a court, this bill would authorize the Medicaid agency to recover any health care payments made for the child by a civil suit against the parent.

This bill would further provide that a parent automatically authorizes any employer to release information to the Medicaid agency when a parent's child is approved by either program for coverage.



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A BILL
TO BE ENTITLED
AN ACT

Relating to Medicaid; to require that a child who is approved for Medicaid receive health care coverage through a parent's insurance in certain circumstances, or that a parent under a child support order provide health care coverage; and to further provide for the right to reimbursement for Medicaid for benefits paid on behalf of a child who would be eligible for coverage under a parent's employer-provided insurance.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For the purposes of this section, the following terms have the following meanings:

(1) AGENCY. The Medicaid Agency of the State of Alabama and any contractor of the agency.

(2) APPROVED CHILD. An individual who is under 19 years of age and is approved for health coverage under Medicaid.

(3) CUSTODIAL PARENT. A natural or adoptive parent of an approved child who shares the same household with the child as reported on an application for health coverage approved by the agency.

(4) EMPLOYER-PROVIDED HEALTH COVERAGE. Health coverage that is made available by an employer to an employee.

(5) HEALTH COVERAGE. Any plan, policy, or contract issued, delivered, or renewed in this state that provides health coverage, including payment for hospital or physician



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57 care, treatment, therapy, drugs, equipment, or any other
58 medical expense, and which is offered as a benefit of
59 employment, regardless of whether the plan, policy, or
60 contract is provided by a health care insurer, health
61 maintenance organization operating pursuant to Chapter 21A of
62 Title 27, Code of Alabama 1975, health care service plan
63 operating pursuant to Article 6, Chapter 20 of Title 10A, Code
64 of Alabama 1975, or any other person that pays for, purchases,
65 or reimburses health care services.

66 (6) NONCUSTODIAL PARENT. A natural or adoptive parent
67 of an approved child who is subject to a court order to
68 provide child support.

69 (b) A custodial parent of an approved child shall elect
70 employer-provided health coverage of the child when it is
71 available to the parent and the terms of the employer-provided
72 health coverage so provide, unless the approved child is the
73 subject of a court order to provide health coverage.

74 (c) A court having jurisdiction over a noncustodial
75 parent, in its discretion, may order the parent to provide
76 health coverage to an approved child when the court determines
77 from the State of Alabama Unified Judicial System
78 Child-Support-Obligation Income Statement/Affidavit form, or
79 other evidence, that the parent is receiving income in an
80 amount sufficient to include the approved child under
81 available employer-provided health coverage or under health
82 coverage purchased through the federal Health Insurance
83 Marketplace.

84 (d) (1) A parent of an approved child shall report a



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85 change in status to the agency, as appropriate, when one of
86 the following occurs:

87 a. Commencement of eligibility of the approved child
88 for employer-provided health coverage and the parent's
89 election of the coverage.

90 b. Discontinuation of coverage of the approved child
91 caused by a change in the terms of the employer-provided
92 health coverage.

93 c. Separation of the parent from employment for any
94 reason which results in a discontinuation of employer-provided
95 health coverage of the approved child.

96 d. Commencement or termination of a court-ordered
97 obligation that a noncustodial parent provide health coverage
98 for an approved child.

99 (2) Nothing in this section shall be construed to
100 require a custodial parent to continue health coverage for an
101 approved child under the federal Consolidated Omnibus Budget
102 Reconciliation Act when the parent is separated from
103 employment.

104 (3) Nothing in this section shall be construed to
105 disqualify an approved child from coverage under Medicaid when
106 a noncustodial parent fails to comply with a court order under
107 subsection (c).

108 (e) If an approved child has employer-provided health
109 coverage through a custodial parent, or health coverage
110 through a noncustodial parent under court order, the agency
111 shall administer claims made on behalf of the approved child
112 consistent with the status of Medicaid as payor of last resort



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113 under the respective rules, policies, and practices in force.

114 (f) (1) If Medicaid pays for hospital or physician care,
115 treatment, therapy, drugs, equipment, or any other medical
116 expense on behalf of an approved child who would be covered
117 under available employer-provided health coverage or under
118 other court-ordered health coverage that has not been elected
119 by a parent, the agency may pursue reimbursement from the
120 parent of the amounts paid as a collectible debt up to civil
121 suit in a court of competent jurisdiction in the county in
122 which the parent resides.

123 (2) In addition to any means provided by law for
124 recovery and satisfaction of a civil judgment, in a case in
125 which a judgment is entered in favor of the agency, monies
126 subject to garnishment shall include any amount owed by the
127 State of Alabama to the parent for overpayment of personal
128 income tax.

129 (3) In any civil action brought by the agency to
130 recover amounts paid, a parent may assert as a defense that
131 the available employer-provided health coverage or other
132 court-ordered health coverage would not have paid for the
133 specific hospital or physician care, treatment, therapy,
134 drugs, equipment, or any other medical expense that Medicaid
135 paid.

136 (g) In any case in which Medicaid pays for hospital or
137 physician care, treatment, therapy, drugs, equipment, or any
138 other medical expense on behalf of an approved child who is
139 the subject of a court order to provide health coverage with
140 which the noncustodial parent has failed to comply, upon



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141 notice of a claim received from the federal Centers for
142 Medicare & Medicaid Services (CMS), CMS shall have a lien on
143 the amount recovered through enforcement by the agency of the
144 remedy provided in subdivision (f)(1).

145 (h) Any parent of an approved child, including a
146 noncustodial parent, is deemed to authorize any employer to
147 release to the agency all information necessary to enforce
148 this section.

149 (i) The agency and the Department of Revenue may adopt
150 rules necessary to implement and enforce this section.

151 Section 2. This act shall become effective on October
152 1, 2025.