

2A:17-56.11b

LEGISLATIVE HISTORY CHECKLIST
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(Medical care as part of child support)

NJSA: 2A:17-56.11b

LAWS OF: 1995 **CHAPTER:** 290

BILL NO: S2348

SPONSOR(S): Bassano

DATE INTRODUCED: November 9, 1995

COMMITTEE: **ASSEMBLY** Insurance

SENATE: Human Services

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** December 21, 1995

SENATE: December 11, 1995

DATE OF APPROVAL: December 22, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L.1995, CHAPTER 290, approved December 22, 1995

1995 Senate No. 2348

1 AN ACT concerning child support orders for Medicaid-eligible
2 children, amending and supplementing Title 2A of the New
3 Jersey Statutes, and amending P.L.1985, c.278 and P.L.1981,
4 c.239.

5

6 BE IT ENACTED by the Senate and General Assembly of the
7 State of New Jersey:

8 1. (New section) The income withholding provisions of
9 P.L.1981, c.417 (C.2A:17-56.7 et seq.) shall be extended to
10 include a withholding of income from the party responsible for
11 maintaining medical support coverage for a child under a child
12 support order issued pursuant to the provisions of N.J.S.2A:34-23
13 when the child is eligible for medical assistance pursuant to
14 P.L.1968, c.413 (C.30:4D-1 et seq.) and the party responsible for
15 maintaining medical support coverage has received payment from
16 a third party for the cost of health care services provided to the
17 child but has not reimbursed the obligee or the health care
18 provider who provided the services for the amount of the
19 payment. A payment received on or after April 1, 1995 shall be
20 subject to the provisions of this section.

21 The income withholding shall be subject to the following
22 conditions: a. the amount of income withheld shall be to the
23 extent necessary to reimburse the Division of Medical Assistance
24 and Health Services in the Department of Human Services for the
25 costs it incurred in covering the health care services for which
26 the party responsible for maintaining medical support coverage
27 received the payment; and b. the income withholding to
28 reimburse the division shall be subordinate in priority to any
29 other withholding under a child support order.

30 The Division of Medical Assistance and Health Services in the
31 Department of Human Services, in consultation with the
32 Administrative Office of the Courts, may initiate procedures for
33 the withholding of income pursuant to this section.

34 As used in this section, "third party" means a third party as
35 defined in section 3 of P.L.1968, c.413 (C.30:4D-3).

36 2. Section 13 of P.L.1985, c.278 (C.2A:17-56.16) is amended to
37 read as follows:

38 13. The Administrative Office of the Courts shall promulgate
39 rules and regulations concerning procedures for determining
40 which support cases, and which cases of indebtedness in
41 accordance with section 1 of P.L. , c. (C.) (pending
42 before the Legislature as this bill), are appropriate for

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 application of tax setoff, for verifying the accuracy of the
2 amounts referred for setoff, notifying the State Department of
3 the Treasury of any child support and other indebtedness subject
4 to section 1 of P.L.1981, c.239 (C.54A:9-8.1) and changes
5 thereto, and any other procedures necessary to comply with
6 Pub.L. 98-378.

7 (cf: P.L.1985, c.278, s.13)

8 3. Section 1 of P.L.1981, c.239 (C.54A:9-8.1) is amended to
9 read as follows:

10 1. Whenever any taxpayer or homeowner shall be entitled to
11 any refund of taxes pursuant to the "New Jersey Gross Income
12 Tax" (N.J.S.54A:1-1 et seq.) or a homestead property tax rebate
13 pursuant to P.L.1990, c.61 (C.54:4-8.57 et al.), and at the same
14 time the taxpayer or homeowner shall be indebted to any agency
15 or institution of State Government or for child support under
16 Title IV-A, Title IV-D, or Title IV-E of the federal Social
17 Security Act (42 U.S.C. §601 et seq.), or other indebtedness in
18 accordance with section 1 of P.L. , c. (C.)(pending
19 before the Legislature as this bill), the Department of the
20 Treasury shall apply or cause to be applied the refund or rebate,
21 or both, or so much of either or both as shall be necessary, to
22 satisfy the indebtedness. Child support indebtedness shall take
23 precedence over all other indebtedness. The Department of the
24 Treasury shall retain a percentage of the proceeds of any
25 collection setoff as shall be necessary to provide for any expenses
26 of the collection effort.

27 (cf: P.L.1990, c.61, s.11)

28 4. This act shall take effect immediately.

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STATEMENT

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33 This bill provides for the withholding of a child support
34 obligor's income, income tax refund or homestead rebate to the
35 extent necessary to reimburse the Medicaid program for expenses
36 incurred on behalf of a Medicaid-eligible child when the obligor
37 responsible for maintaining medical support coverage for that
38 child under a child support order receives a third party payment
39 for health care services provided to the child and fails to
40 reimburse the child's other parent or guardian or the health care
41 provider for the services provided. The bill is designed to meet a
42 requirement for legislative enactment by all states under the
43 federal "Omnibus Budget Reconciliation Act of 1993,"
44 Pub.L.103-66.

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49 Permits withholding of income, income tax refunds and
50 homestead rebates to reimburse Medicaid for expenses pursuant
51 to child support order.

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ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

SENATE, No. 2348

STATE OF NEW JERSEY

DATED: DECEMBER 14, 1995

The Assembly Insurance Committee reports favorably Senate, No. 2348.

This bill provides for the withholding of a child support obligor's income, income tax refund or homestead rebate to the extent necessary to reimburse the Medicaid program for expenses incurred on behalf of a Medicaid-eligible child when the obligor responsible for maintaining medical support coverage for that child under a child support order receives a third party payment for health care services provided to the child and fails to reimburse the child's other parent or guardian or the health care provider for the services provided. The bill is designed to meet a requirement for legislative enactment by all states under the federal "Omnibus Budget Reconciliation Act of 1993," Pub.L.103-66.

SENATE HUMAN SERVICES COMMITTEE

STATEMENT TO

SENATE, No. 2348

STATE OF NEW JERSEY

DATED: NOVEMBER 27, 1995

The Senate Human Services Committee favorably reports Senate Bill No. 2348.

This bill provides for the withholding of a child support obligor's income, income tax refund or homestead rebate to the extent necessary to reimburse the Medicaid program for expenses incurred on behalf of a Medicaid-eligible child when the obligor responsible for maintaining medical support coverage for that child under a child support order receives a third party payment for health care services provided to the child and fails to reimburse the child's other parent or guardian or the health care provider for the services provided. The bill is designed to meet a requirement for legislative enactment by all states under the federal "Omnibus Budget Reconciliation Act of 1993," Pub.L.103-66.