
Procedures for Qualified Medical Child Support Orders (QMCSOs)

Western Mutual Insurance Company & WMI TPA, Inc.

This document sets forth the procedures for Qualified Medical Child Support Orders (QMCSOs) to be followed by Western Mutual Insurance Company (hereinafter referred to as “Company”) when the plan is fully insured and to a sponsor of a plan (hereinafter referred to as “Plan Administrator”) that is administered by WMI TPA, Inc. when the plan is partially self-funded.

Introduction

1. What Is a QMCSO?

A QMCSO is a court judgment, decree, or order, or a state administrative order that has the force and effect of law, that is typically issued as part of a divorce or as part of a state child support order proceeding, and that requires health plan coverage for an “alternate recipient,” either the child of the participant or a state or political subdivision acting on behalf of such child. Federal law requires a group health plan to pay benefits in accordance with such an order, if it is “qualified.” A QMCSO may apply to a health plan, dental plan and vision plan. In general, an alternate recipient child under a QMCSO is to be treated like any other Plan participant.

With the exception of the newly created National Medical Support Notice, these orders are usually drafted by lawyers for the divorcing couple or by the state child support agency. No standard format is required, other than that the orders contain certain information specified by Section 609(a). Therefore, orders received may differ significantly in terminology and format.

In some cases, orders will be based on state laws enacted in response to Section 1908 of the Social Security Act, which requires states to enact certain child support laws, or face the loss of federal Medicaid funds. Both the state and the non-employee parent can obtain a court order to force coverage under the plan, even if the employee is not interested in obtaining plan coverage for the child. State agencies are required by applicable law to utilize the uniform National Medical Support Notice. When this Notice is properly filled out, it will constitute a valid QMCSO.

2. The Plan’s Rights and Responsibilities Relating to QMCSOs

Plans are not required to provide coverage in accordance with child support or other court orders which are not “qualified” in accordance with Section 609(a) of ERISA. The Company or the Plan Administrator (whichever applies) has the ultimate authority to determine whether or not the order meets all of the requirements of §609(a). If the order does not meet all the qualification requirements, the plan need not provide any benefits to the alternate recipient, unless the child is otherwise eligible or the parties later correct deficiencies.

Procedures for Handling QMCSOs

1. Upon receipt of Order

When an order is received, the Company or the Plan Administrator (whichever applies) must: (1) send written notice of the receipt to the participant and all alternate recipient children named in the order and their legal representative; and (2) review the order to determine if it meets the legal requirements of a QMCSO.

When a valid National Medical Support Notice is received, the Company or Plan Administrator (whichever applies) must: (1) notify the state agency whether coverage for the child is available under the plan; (2) if so, indicate whether the child is covered under the plan and the effective date of coverage; (3) provide a description of the coverage; and (4) provide the forms necessary to obtain coverage.

2. Determination Notice

Within a reasonable time after receipt of the order; not to exceed 40 days, the Company or the Plan Administrator (whichever applies) must notify the participant and alternate recipient that either: (1) the order is a valid QMCSO; or (2) the order is not a valid QMCSO with an explanation of what provisions are defective or missing.

3. Disputes

Any disputes raised are to be referred to the legal counsel of the Company or the Plan.

4. Resubmitted Orders

If an order is found to be invalid, the parties may “cure” the deficiencies with a subsequent order. If an amended order is submitted, the evaluation is re-initiated for the new order.