



Rhode Island Department of Human Services

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March 5, 2024

The Honorable Robert E. Craven, Sr.
Chair, House Committee on Judiciary
State House
82 Smith St.
Providence, RI 02903

RE: H 7103 – Relating To Commercial Law – General Regulatory Provisions -- Deceptive Trade Practices

Dear Chair Craven:

I am writing to you regarding H7103, which would have unintended consequences for the Office of Child Support Services (OCSS) to collect and enforce Family Court-mandated medical orders from noncustodial parents. With many families and children relying on court-mandated medical orders to be enforced by OCSS, the additional information below is intended to provide further context for the committee's consideration, while detailing reasons for concern.

Beginning on page 6, section 10-5-2, line 20, the proposed legislation would allow for child support obligations to be decided by the Family Court but prohibit the collection of that obligation by OCSS. This would be in violation of federal regulations which require the securing and enforcement of court-mandated medical support obligations (45CFR 303.20, minimum organizational and staffing requirements, requiring activities to enforce collection of support, including income withholding and other available enforcement techniques; and 45 CFR 303.31, securing and enforcing medical support obligation, requiring OCSS to petition the Family Court to enter orders for the maintaining of health insurance coverage or cash medical support toward the cost of health insurance or other medical costs not covered by insurance).

Additionally, federal regulations require that under Title IV-D of the Social Security Act, the Rhode Island State Plan includes procedures requiring that any payment or installment of support under any child support order be a judgment by operation of law, with full force, effect, and attribute of a judgment of the State, including the ability to be enforced.

Though the legislation is intended to address statutes related to medical debt, it is important to consider medical debt may be counted as child support. Rhode Island General Laws 15-16-2 defines a child support order as a benefit, "of a child, a spouse, or a former spouse, which provides for monetary support, health care, arrearages, or reimbursement, and may include related costs and fees, interest, income withholding, attorney's fees, and other relief," issued by the Family Court. As such, medical support is child support and wage garnishment is the primary vehicle by which the OCSS collects child support for Rhode Island families including much of the medical support. Last year, OCSS collected \$88,501,359.90 in total child support. The majority of which was collected by Court Ordered wage garnishment. Since January 1, 1994, Court Administrative Order 91-1 requires child support is paid through wage garnishment.

OCSS reports child support to the credit bureaus as an enforcement tool to ensure compliance of Family Court orders of non-custodial parents. Without this tool, custodial parents largely composed of women, would be adversely affected. As written, the proposed legislation is estimated to eliminate \$8 million each

year in support from custodial parents, based on a systems analysis by OCSS. This would result in a disproportionate burden on women and children relying on Family Court-ordered, medical debt payments from non-custodial parents.

Furthermore, regarding interest rates, while capping the interest on a court judgement may provide relief for non-custodial parents, splitting the interest rate for a court-mandated medical order to 3% and leaving it at 12% for child support cash payments poses additional programming challenges and costs to implement for the Child Support Office. This means all cases would need programming up to a certain date, and the orders would all have to go back to Family Court to amend existing court orders. Orders would have to be carried at 12% as they were ordered and then brought back in for 3% going forward in time changing the court's order, which is in the court's purview.

Although the implications mentioned in this letter do not appear to be the intent of the proposed legislation, it makes the proposed legislation subject to interpretations by including exclusionary language for application of these provisions to child support medical orders or its enforcement, pursuant to Rhode Island General Laws 15-25-1.

Thank you for your consideration. If you have additional questions, please reach out to ronald.racine@dhs.ri.gov.

Sincerely,



Kimberly Merolla-Brito
Director
RI Department of Human Services

CC: The Honorable Members of the House Committee on Judiciary
The Honorable Mary Ann Shallcross Smith
Nicole McCarty, Esq., Chief Legal Counsel for the Speaker of the House of Representatives
Lynne Urbani, Director of House Policy