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A BILL
TO BE ENTITLED
AN ACT

Relating to Medicaid; to provide that a court with jurisdiction over a noncustodial parent may require the parent to provide health insurance for a child who is also eligible for Medicaid; 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 court-ordered health 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) PRIVATE HEALTH INSURANCE. Health coverage that is made available by an employer to an employee, or health coverage purchased through the federal health insurance marketplace.

(4) HEALTH COVERAGE. Any plan, policy, or contract



29 issued, delivered, or renewed in this state that provides
30 health coverage, including payment for hospital or physician
31 care, treatment, therapy, drugs, equipment, or any other
32 medical expense, and which is offered as a benefit of
33 employment, regardless of whether the plan, policy, or
34 contract is provided by a health care insurer, health
35 maintenance organization operating pursuant to Chapter 21A of
36 Title 27, Code of Alabama 1975, health care service plan
37 operating pursuant to Article 6, Chapter 20 of Title 10A, Code
38 of Alabama 1975, or any other person that pays for, purchases,
39 or reimburses health care services.

40 (5) NONCUSTODIAL PARENT. A natural or adoptive parent
41 of an approved child who does not permanently reside with the
42 child and who, at most, is in the physical presence of the
43 child during visitation periods determined by an order of a
44 court.

45 (b) A court having jurisdiction over a noncustodial
46 parent may order the noncustodial parent to provide health
47 coverage to an approved child when the court determines from
48 the State of Alabama Unified Judicial System Child Support
49 Obligation Income Statement/Affidavit form, or other evidence,
50 that the noncustodial parent is receiving income in an amount
51 sufficient to include the approved child under private health
52 insurance.

53 (c) (1) A parent, whether custodial or noncustodial, of
54 an approved child shall report a change in status to the
55 agency, as appropriate, when one of the following occurs:

56 a. Enrollment of the approved child for private health



57 insurance.

58 b. Discontinuation of coverage of the approved child
59 caused by a change in the terms of the private health
60 insurance.

61 c. Separation of either parent from employment for any
62 reason which results in a discontinuation of private health
63 insurance for the approved child.

64 d. Commencement or termination of a court-ordered
65 obligation that the noncustodial parent provide health
66 coverage for an approved child.

67 (2) Nothing in this section shall be construed to
68 disqualify an approved child from coverage under Medicaid due
69 to the compliance or noncompliance of a noncustodial parent
70 with a court order under subsection (b).

71 (d) If an approved child has private health insurance
72 through a noncustodial parent pursuant to a court order, the
73 agency shall administer claims made on behalf of the approved
74 child consistent with the status of Medicaid as payor of last
75 resort under the respective rules, policies, and practices in
76 force.

77 (e) (1) If Medicaid pays for hospital or physician care,
78 treatment, therapy, drugs, equipment, or any other medical
79 expense on behalf of an approved child who would be covered
80 under court-ordered private health insurance, and the
81 noncustodial parent has not complied with the order, the
82 agency may pursue reimbursement from the noncustodial parent,
83 if permissible pursuant to state and federal law, of the
84 amounts paid as a collectible debt up to civil suit in a court



85 of competent jurisdiction in the county in which the
86 noncustodial parent resides.

87 (2) In addition to any means provided by law for
88 recovery and satisfaction of a civil judgment, in a case in
89 which a judgment is entered in favor of the agency, monies
90 subject to garnishment shall include any amount owed by the
91 State of Alabama to the noncustodial parent for overpayment of
92 personal income tax.

93 (3) In any civil action brought by the agency to
94 recover amounts paid, a noncustodial parent may assert as a
95 defense that court-ordered health insurance would not have
96 paid for the specific hospital or physician care, treatment,
97 therapy, drugs, equipment, or any other medical expense that
98 Medicaid paid.

99 (f) A noncustodial parent of an approved child is
100 deemed to authorize any employer to release to the agency all
101 information necessary to enforce this section.

102 (g) The agency may adopt rules necessary to implement
103 and enforce this section. The Department of Revenue may adopt
104 rules necessary to enforce subdivision (e)(2).

105 Section 2. This act shall become effective on October
106 1, 2025.