

PERFORMANCE AUDIT

Work in progress: Audit description

Increasing Collections of Past Due Child Support Using Insurance Payment Intercepts

In 2018, the Washington State Division of Child Support (DCS) provided services to more than 250,000 custodial parents. State services for custodial parents who are owed child support can include the establishment, modification and enforcement of child support orders. As of November 2019, the DCS caseload included almost \$2.3 billion in past due child support, with an average of \$9,335 due per case.

If non-custodial parents fall behind paying child support, DCS uses multiple tools to collect the past due amount, including wage garnishment, liens on real property, and withholding of lottery winnings. The state can also intercept insurance claim payments payable to non-custodial parents who owe past due child support, but only if the state's child support agency knows of the claim.

Most states, including Washington, do not require insurance companies to share insurance claim payment information. This means state child support agencies could be unaware of relevant insurance claim payments that could be intercepted to pay past due child support. To maximize the number of claims identified for possible intercept, 11 states require insurance companies to share certain insurance claim information.

When matching insurance claims, such as automobile liability claims, with past due child support cases, state child support agencies and insurance companies usually work with national clearinghouses. If a clearinghouse matches the name of a non-custodial parent who owes past due child support with the payee name on an insurance claim, it notifies the appropriate state child support agency. The child support agency then works with the insurance company to intercept appropriate claim payments, in whole or in part, on behalf of the custodial parent.

Increased collections by DCS through insurance payment intercepts would help families who are owed child support. Some collections would also help reimburse state programs for costs incurred to support families who receive benefits from the state's Medicaid and Temporary Assistance for Needy Families (TANF) programs.

Preliminary scope and objectives

This audit will estimate how much past due child support the state could recover from insurance claim payments if it required insurance companies to participate in an intercept program. It will answer the following question:

- Could Washington increase collections of past due child support by requiring participation in an insurance payment intercept program?

Timing: We plan to publish the audit results in summer 2020.



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