



# PROPOSED RULE MAKING

## CR-102 (December 2017) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

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STATE OF WASHINGTON  
FILED

DATE: October 14, 2021

TIME: 7:44 AM

WSR 21-21-045

**Agency:** Department of Social and Health Services, Economic Services Administration, Division of Child Support

**Original Notice**

**Supplemental Notice to WSR** \_\_\_\_\_

**Continuance of WSR** \_\_\_\_\_

**Preproposal Statement of Inquiry was filed as WSR 21-17-049 ; or**

**Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or**

**Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**

**Proposal is exempt under RCW .**

**Title of rule and other identifying information:** (describe subject)

WAC 3488-14A-4900 *Insurers must report claim information to the division of child support and withhold payments if directed.*

Implements RCW 26.23.037 and SHB 1416, Chapter 168, Laws of 2021, which establishes these reporting requirements.

This law takes effect January 1, 2022.

### Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
November 23, 2021	10:00 a.m.	Office Building 2 DSHS Headquarters 1115 Washington Olympia, WA 98504  <b>Or virtually</b>	Public parking at 11 <sup>th</sup> and Jefferson. A map is available at: <a href="https://www.dshs.wa.gov/office-of-the-secretary/driving-directions-office-bldg-2">https://www.dshs.wa.gov/office-of-the-secretary/driving-directions-office-bldg-2</a>  Due to the impacts of COVID-19, hearings are being held virtually. Please see the DSHS website for the most current information.

**Date of intended adoption:** Not earlier than November 24, 2021 (Note: This is **NOT** the effective date)

### Submit written comments to:

Name: DSHS Rules Coordinator

Address: PO Box 45850  
Olympia, WA 98504

Email: [DSHSRPAURulesCoordinator@dshs.wa.gov](mailto:DSHSRPAURulesCoordinator@dshs.wa.gov)

Fax: 360-664-6185

Other:

By (date) 5:00 p.m. November 23, 2021

### Assistance for persons with disabilities:

Contact Shelley Tencza, DSHS Rules Consultant

Phone: 360-664-6198

Fax: 360-664-6185

TTY: 711 Relay Service

Email: [tenczsa@dshs.wa.gov](mailto:tenczsa@dshs.wa.gov)

Other:

By (date) 5:00 p.m. November 9, 2021

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The legislature enacted SHB 1416, chapter 168, laws of 2021 during the 2021 legislative session. This new law, codified as RCW 26.23.037, directs insurers to report claims in advance of payment to DCS. DCS will then use this information to determine whether unpaid child support exists, and if so, send notice to the insurer directing them to remit payment to DCS so that funds can be applied to the unpaid child support..

**Reasons supporting proposal:** This rulemaking is required to implement SHB 1416, chapter 168, laws of 2021. It will ensure insurers have sufficient notice of the process and requirements to fully comply with the legal reporting and claims remitting requirements.

**Statutory authority for adoption:** RCW 26.23.037, RCW 26.23.110, RCW 74.08.090, RCW 74.20A.055

**Statute being implemented:** RCW 26.23.037 - Insurer information exchange—Child support debt—Reporting requirements. (Effective January 1, 2022.)

**Is rule necessary because of a:**

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION:

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:** n/a

**Name of proponent:** (person or organization) Department of Social and Health Services, Economic Services Administration, Division of Child Support

<input type="checkbox"/> Private
<input type="checkbox"/> Public
<input checked="" type="checkbox"/> Governmental

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting: Coordinator	Brady Horenstein, DCS Rules	DCS HQ, POB 9162, Olympia WA 98507-9162	(360) 664-5291
Implementation: Coordinator	Brady Horenstein, DCS Rules	DCS HQ, POB 9162, Olympia WA 98507-9162	(360) 664-5291
Enforcement: Coordinator	Brady Horenstein, DCS Rules	DCS HQ, POB 9162, Olympia WA 98507-9162	(360) 664-5291

**Is a school district fiscal impact statement required under RCW 28A.305.135?**  Yes  No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

No: Please explain: This rule is exempt under RCW 34.05.328(5)(b)(vii) Rules of the department of social and health services ... concerning liability for care of dependents.

**Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- RCW 34.05.310 (4)(b) (Internal government operations)
- RCW 34.05.310 (4)(c) (Incorporation by reference)
- RCW 34.05.310 (4)(d) (Correct or clarify language)
- RCW 34.05.310 (4)(e) (Dictated by statute)
- RCW 34.05.310 (4)(f) (Set or adjust fees)
- RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(4), 34.05.328(5)(b)(vii).

Explanation of exemptions, if necessary: This proposal does not affect small businesses. This rule is exempt under RCW 34.05.328(5)(b)(vii) Rules of the department of social and health services ... concerning liability for care of dependents.

**COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES**

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's analysis showing how costs were calculated. \_\_\_\_\_
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

**Date:** October 14, 2021

**Name:** Katherine I. Vasquez

**Title:** DSHS Rules Coordinator

**Signature:**



NEW SECTION

**WAC 388-14A-4900 Insurers must report claim information to the division of child support and withhold payments if directed.**

(1) Insurers must report certain insurance claims to the division of child support. Within 10 days after opening a tort liability claim for bodily injury or wrongful death, a workers' compensation claim, or a claim under a policy of life insurance, including an annuity, the insurer must report sufficient information to the division of child support to enable it to verify whether the claimant or other beneficiary owes child support. A claim is deemed opened when an insurer has sufficient information to:

(a) Determine that the claimant is entitled to payment of the insurance claim proceeds; and

(b) Make such payment. In the case of a claim that will be paid through periodic payments, the insurer must only report the claim before issuing the initial payment.

(2) The information reporting requirements are satisfied so long as the insurer provides minimum identifying information. Minimum identifying information about the claimant includes:

(a) The claimant's full name;

(b) The claimant's Social Security number, or if that is unavailable, the claimant's physical address and date of birth;

(c) The insurer's name;

(d) The insurer's claims department address for lien receipt;

(e) The insurer's claim number in the proper format for identification of the claim;

(f) The insurer's claim date of loss;

(g) The adjustor's name;

(h) The adjustor's telephone number;

(i) The adjustor's email address; and

(j) The insurer's fax number for receiving lien notices.

(3) Insurers can report information:

(a) To the federal office of child support enforcement or the child support lien network;

(b) Through an insurance claim data collection organization, which submits the required information to the federal office of child support enforcement, the child support lien network, or the division of child support within the timeframes and in the manner required by law; or

(c) To the division of child support special collections unit in writing or electronically, if the insurer does not have the capability to report through the above methods.

(4) Upon receipt of claims information, the division of child support will determine whether a child support debt exists. If so, the division of child support will issue a notice to the insurer to withhold payment and remit to the division of child support. An insurer is not required to remit payment to the division of child support if the notice issued is received after the insurer has disbursed payment on the claim.

(5) The division of child support will give any lien, claim, or demand for reasonable claim-related attorneys' fees, property damage, and medical costs priority over any withholding of payment. These costs must be final costs after all reductions have been pursued with interested parties.