

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 529

H.P. 395 House of Representatives, February 24, 1987
Reference to the Committee on Human Resources suggested
and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative RYDELL of Brunswick.
Cosponsored by Representative MAHANY of Easton, Senators
GAUVREAU of Androscoggin and COLLINS of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Save Medicaid Funds by Expanding
2 the Ability of the Department of Human
3 Services to Recover Funds from Other
4 Payors.
5

6 Be it enacted by the People of the State of Maine as
7 follows:

8 22 MRSA §14, sub-§§2-B and 2-C are enacted to
9 read:

10 2-B. Assignment of rights. When a private
11 health insurance plan includes an "assignment of
12 rights" clause, the carrier or private insurance com-
13 pany is required to honor assignments and to reim-
14 burse the health care provider for services provided
15 to the beneficiary.

1 2-C. Absence of an assignment by rights. In the
2 absence of an assignment of rights by a Medicaid re-
3 recipient, the private health insurance carrier is re-
4 quired to directly reimburse the department, upon re-
5 quest, for any medical services paid by the depart-
6 ment that are otherwise the responsibility of the
7 carrier.

8

STATEMENT OF FACT

9 The United States Social Security Act, Title XIX,
10 Section 1902(a) (25), 42 Code of Federal Regulations
11 433.135-139, and the Maine Revised Statutes, Title
12 22, section 14, establish Medicaid as the payor of
13 last resort. When a Medicaid beneficiary is covered
14 by other health insurance, as is often the case for
15 children with absent parents, that carrier is the
16 primary payor and Medicaid the secondary payor. This
17 bill eliminates the need for the policy holder to
18 complete an "assignment of rights" section on each
19 individual claim by clarifying in the law the depart-
20 ment's status as payor of last resort. The "assign-
21 ment of rights" means that the provider of services
22 may get paid directly by the primary insurer rather
23 than being reimbursed by the department, thereby sav-
24 ing the department the need to pursue payment from
25 the primary insurer or the beneficiary.

26 Currently, it is difficult to obtain the signa-
27 ture of the absent parent. Payment to providers may
28 be delayed and the department loses money if payment
29 is made by the primary insurer directly to the policy
30 holder as these funds are very difficult to recoup.
31 This bill seeks to redress this problem.

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