

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1522

H.P. 1119 House of Representatives, May 11, 1987
Submitted by the Department of Professional and Financial
Regulation pursuant to Joint Rule 24.

Referred to the Committee on Banking and Insurance. Sent
up for concurrence and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative MacBRIDE of Presque Isle.

Cosponsored by Representative CLARK of Millinocket,
Senators COLLINS of Aroostook and THERIAULT of Aroostook.

STATE OF MAINE

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

1 **AN ACT** Relating to Assignment of Group Health
2 **Insurance Benefits.**
3

4 Be it enacted by the People of the State of Maine as
5 follows:

6 24-A MRSA §2831, as enacted by PL 1969, c. 132,
7 §1, is amended to read:

8 §2831. Hospital, medical benefits -- direct payment

9 Any such group or blanket policy may include ben-
10 efits payable on account of hospital or medical or
11 surgical aid for an employee or other member of the
12 group insured by such policy, his or her spouse,
13 child or children or other dependents, and may pro-
14 vide that, at the insured's option, any such benefits
15 be paid by the insurer directly to the hospital, phy-

1 sician, surgeon doctor, nurse or other person fur-
2 nishing services covered by such provisions of the
3 policy.

4 STATEMENT OF FACT

5 Currently, the Maine Revised Statutes, Title
6 24-A, section 2831, allows insurers to include a pro-
7 vision in group health insurance policies and certif-
8 icates that states that benefits may be paid by the
9 insurer directly to the hospital or provider of the
10 health care service. This provision may operate to
11 nullify the right otherwise provided to insured per-
12 sons, pursuant to Title 24-A, section 2810, to assign
13 or not assign benefits at their option.

14 If an insurer chooses to pay providers directly,
15 without an assignment from the insured, a problem is
16 created for the insured. Insureds normally submit all
17 their medical bills to the insurer. As some or all of
18 these bills may have been paid by the insured in full
19 or in part, the insurer may not know what amount is
20 due each provider. Maine law should clearly leave the
21 insured with the right to assign benefits or to be
22 indemnified as may be agreed to between the insured
23 and the provider.

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