

MAINE STATE LEGISLATURE

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(New Draft of H.P. 395, L.D. 529)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1601

H.P. 1175 House of Representatives, May 15, 1987
Reported by Representative MANNING from the Committee on
Human Resources and printed under Joint Rule 2.

EDWIN H. PERT, Clerk
Original bill sponsored 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. Direct reimbursement to health care
11 provider. When an insured is eligible under the
12 Medicaid program administered by the Department of
13 Human Services, pursuant to the United States Social
14 Security Act, Title XIX, for the medical costs of in-
15 jury, disease, disability or similar occurrence for

1 which an insurer is liable, and the insured's claim
2 is payable to a health care provider as provided or
3 permitted by the terms of a health insurance policy
4 or pursuant to an assignment of rights by an insured,
5 the insurer shall directly reimburse the health care
6 provider to the extent that the claim is honored.

7 2-C. Direct reimbursement to the Department of
8 Human Services. When an insured is eligible under
9 the Medicaid program administered by the Department
10 of Human Services, pursuant to the United States So-
11 cial Security Act, Title XIX, for the medical costs
12 of injury, disease, disability or similar occurrence
13 for which an insurer is liable, and the claim is not
14 payable to a health care provider under the terms of
15 the health insurance policy, the insurer shall di-
16 rectly reimburse the Department of Human Services,
17 upon request, for any medical services paid by the
18 department on behalf of a Medicaid recipient to the
19 extent that those medical services are payable under
20 the terms of the health insurance policy.

21 STATEMENT OF FACT

22 This new draft makes technical changes in the
23 bill while retaining the original intent of the bill,
24 that is, to allow Medicaid to be reimbursed for medi-
25 cal expenses it has paid when private insurance cov-
26 erage is responsible for those expenses.

27 The United State Social Security Act, Title XIX,
28 Section 1902(a) (25), 42 Code of Federal Regulations
29 22, Section 14, establish Medicaid as the payor of
30 last resort. When a Medicaid beneficiary is covered
31 by other health insurance, as is often the case for
32 children with absent parents, that carrier is the
33 primary payor and Medicaid the secondary payor.

1 This new draft directs health insurer carriers to
2 reimburse the health care provider directly for medi-
3 cal care services rendered to a Medicaid recipient
4 when the insured had assigned his rights of payment
5 to the health care provider. It also directs health
6 insurance carriers to reimburse the department, upon
7 request, when the department has reimbursed the medi-
8 cal care provider for services rendered to Medicaid
9 recipients.

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