

(Governor's) FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1627

S.P. 538

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In Senate, May 19, 1987

Reference to the Committee on Human Resources suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate Presented by Senator GILL of Cumberland.

Cosponsored by Representative MANNING of Portland, Representative TAYLOR of Camden, Representative FARNUM of South Berwick.

STATE OF MAINE

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

AN ACT to Save Medicaid Funds by Expanding the Ability of the Department of Human Services to Recover Funds from Other Payors.

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 right. When a private health 11 insurance plan includes an "assignment of rights" 12 clause, the commissioner shall require the carrier, 13 that is, a private insurance company, to honor as-14 signments and to reimburse the health care provider 15 for services provided to the beneficiary.

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2	signment	of rig	hts by	a Medi	caid	recipie	ent,	the	com-
3	missioner					and the second second second			
4	carrier	to dir	ectly	reimbu	ırse t	he depa	artme	nt,	upon
5	request,								
6	ment that	are ot	herwise	the	resp	onsibil	.ity	of	the
7	carrier.								

STATEMENT OF FACT

Federal and state law, The United States Soc Security Act, Title XIX, Section 1902 (a) (25), 9 state law, The United States Social 10 42 11 Code of Federal Regulations 433.135-139, and the Maine Revised Statutes, Title 22, section 14, lish Medicaid as the payor of last resort. 12 estab-13 When a Medicaid beneficiary is covered by other 14 health in-15 as is often the case for children with absurance, 16 sent parents, that carrier is the primary payor and 17 secondary payor. This bill eliminates Medicaid the 18 the need for the policyholder to complete an "assign-19 ment of rights" section on each individual claim by 20 clarifying in law the department's status as payor of The "assignment of rights" means that 21 resort. last 22 the provider of services will be paid directly by the 23 primary insurer rather than being reimbursed by the 24 department, thereby saving the department the need to 25 pursue payment from the primary insurer or the bene-26 ficiary.

27 Currently, it is difficult to obtain the signa-28 ture of the absent parent, payment to providers may 29 be delayed and the department loses money if payment 30 was made by the primary insurer directly to the poli-31 cyholder as these funds are very difficult to recoup.

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