MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

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No. 2022

S.P. 759

In Senate, January 12, 1988
Submitted by the Department of Human Services pursuant to
Joint Rule 24.

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 TAYLOR of Camden, Senator GAUVREAU of Androscoggin, Representative FARNUM of South Berwick.

STATE OF MAINE

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

AN ACT to Enforce 3rd-Party Liability

| 2 | Reimbursement for Medicaid Recipients as | | | | | |
|---|--|--|--|--|--|--|
| 3 | Required by Title XIX of the Social | | | | | |
| 4 | Security Act. | | | | | |
| 5 | - | | | | | |
| | | | | | | |
| | | | | | | |

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

22 MRSA §14, sub-§§2-D, 2-E and 2-F are enacted to read:

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| 1 | 2-D. | | | | claim. | | | |
|---|------------|----------|----------|---------|-----------|---------|---------|-----|
| 2 | recipient, | or ar | ly atto | rney | represent | ing a | Medic | aid |
| 3 | recipient, | who ma | akes a | claim | against | a 3rd | party | to |
| 4 | recover | | | | | | | |
| 5 | disability | | | | | | | |
| б | received m | iedical | benefits | s under | the Med | icaid p | program | 1 |
| 7 | pursuant | to the | United | State | es Social | l Secu | rity A | ct, |
| 8 | Title XIX | | | | departmen | t in w | vriting | of |
| 9 | the existe | nce of t | he clai | m. | | | | |
| | | | | | | | | |

2-E. Pleading public assistance. In any action to recover the medical cost of injury, disease, disability or similar occurrence for which the party received medical benefits under the Medicaid program, the party bringing the action shall affirmatively plead that fact and shall promptly serve that pleading on the department by ordinary mail.

2-F. Disbursement. No disbursement of any award, judgment or settlement may be made to a recipient without first providing at least 10 days' written notice to the department of the award, judgment or settlement.

22 STATEMENT OF FACT

This bill mandates that 3rd-party claims involving
Medicaid recipients be reported to the Department of
Human Services, enhancing the department's recovery
efforts. Currently, the department is not always
informed when legal action results in the
reimbursement to recipients for their medical costs
which have already been paid by the department.

Both federal and state authorities, the United States Social Security Act, Title XIX, section 1902(a) (25), 42 Code of Federal Regulations 433.135-139, and

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| | the Maine Revised Statutes, Title 22, Section 14, |
|----|--|
| 2 | establish Medicaid as a payor of last resort and |
| 3 | require reimbursement where 3rd-party resources become |
| 4 | available to a Medicaid recipient. Title 22, section |
| 5 | 14 constitutes an automatic lien against such |
| 6 | resources. In many cases, damages are recovered on |
| 7 | behalf of a client which include reimbursement for |
| 8 | medical expenses. In those cases where the Medicaid |
| 9 | program already has paid these claims, the department, |
| 10 | under federal and state law, must recover this money. |
| 11 | Often the department is not informed of the pendency |
| 12 | of these claims, thus increasing unnecessary Medicaid |
| 13 | expenditures and reducing the overall resources |
| 14 | available to Medicaid recipients. |

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