

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

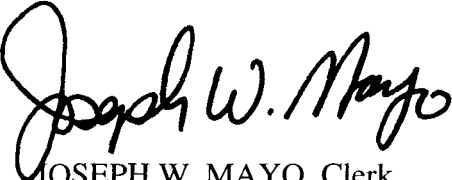
No. 1862

H.P. 1301

House of Representatives, March 16, 1999

An Act Regarding Assignment of Benefits under a Health Insurance Policy.

Reference to the Committee on Banking and Insurance suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative PERRY of Bangor.
Cosponsored by Representatives: FRECHETTE of Biddeford, MUSE of South Portland.

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

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4 Sec. 1. 24-A MRSA §2185-A is enacted to read:

6 §2185-A. Assignment of benefits

8 1. Definitions. As used in this section, unless the
context otherwise indicates, the following terms have the
following meanings.

10 A. "Assignment of benefits" means a written agreement
between a health care provider and an insured, signed by the
insured or the insured's legal guardian, that permits the
health care provider to be paid directly by an insurer for
benefits payable to the insured for health care services
provided to the insured by the health care provider.

18 B. "Health care provider" has the meaning set forth in
section 2204, subsection 13.

20 C. "Insured" means a person covered for health care
services provided to that person under an insurance policy,
health maintenance organization plan or subscriber contract
or certificate of a nonprofit hospital or medical service
organization.

26 D. "Insurer" means any insurance company, health
maintenance organization or nonprofit hospital or medical
service organization authorized to issue health care
policies, plans, contracts or certificates in the State.

32 2. Payment to provider. A health care provider who
receives an assignment of benefits shall provide the insurer with
written notice of the assignment. Upon receiving a claim from
the health care provider for health care services provided to the
insured and covered by the assignment of benefits of which the
insurer has received notice under this subsection, the insurer
shall make payment pursuant to the claim directly to the health
care provider. The insurer shall make this payment even if the
insurer has paid the insured for health care services covered by
the claim if the payment to the insured was made after the
insurer received notice of the assignment of benefits as required
by this subsection.

44 3. Nonrevocation of assignment. An assignment of benefits
may not be revoked or amended without the written permission of
the health care provider to whom the benefits are assigned.

SUMMARY

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This bill requires health care providers to notify insurers of assignments of benefits and insurers to pay health care providers directly when they have received notice of assignments of benefits. If after receiving notice of an assignment of benefits an insurer pays an insured's claim, the insurer must still pay the related claim of the health care provider. An assignment of benefits can not be revoked or amended without the written permission of the health care provider.