

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 555

H.P. 434

House of Representatives, February 6, 2001

An Act Regarding Assignment of Benefits Under Personal Injury Insurance.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative PERRY of Bangor.

Cosponsored by Representatives: BULL of Freeport, DUNLAP of Old Town, JACOBS of Turner, THOMAS of Orono.

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

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

§2185-A. Assignment of benefits

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

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.

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

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.

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.

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.

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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4 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
6 of benefits. If after receiving notice of an assignment of
benefits an insurer pays an insured's claim, the insurer must
8 still pay the related claim of the health care provider. An
assignment of benefits can not be revoked or amended without the
10 written permission of the health care provider.