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HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: HESS

BILL: HB 366

CURRENT VERSION:

SCHEDULED: FEBRUARY 19, 1988

SPONSOR: GOVERNOR

PHONE NO: 3030

CONTACT FILE: \_\_\_\_\_

BILL SUBJECT: RELATING TO SUBROGATION OF MEDICAL BENEFITS

SPONSOR BACKUP: IN FILES

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
H&SS	KAREN PURDUE/3030	
H&SS	RANDY SUPER	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
H&SS/MEDICAL ASSISTANCE		1/15/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
2/19/88	PASSED FROM HOUSE STATE AFFAIRS

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minuces listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affs:*

*Feb. 19, 1988*

# HOUSE COMMITTEE REPORT

(7)

Date referred: 1/15/88

FURTHER REFERRALS: HESS

DATE: 2-19-88

The State Affairs Committee has considered HB 366

"An Act relating to subrogation of medical benefits; and providing for an effective date."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

*[Handwritten Signature]*  
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*[Handwritten Signature]*  
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**SIGNING OTHER RECOMMENDATIONS:**

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*[Handwritten Signature]*  
 \_\_\_\_\_  
 Chairman's signature

Div Medical Assistance

- 1) 26 cases settled without STAH  
know about - \$300,000 -  
help identify turn cases.
- 2) Receipt Hospital spleen -  
STAH 23,000  
14,000 out of state  
50,000 settlement  
\$34,000 After - Hospital  
got Recd -

Success

HB 366

"An Act relating to subrogation of medical benefits; and providing for an effective date."

I. Purpose of HB 366

The purpose of HB 366 is to enhance the states right to recover medical assistance payments made on behalf of recipients who file successful law suits, or receive out of court settlements, based on the accident or injury for which medical assistance was paid.

II. Sectional Analysis

Section 1 First, section 1 amends AS 47.05.070 (b) by requiring a recipient of medical assistance to notify the Department of Health and Social Services in writing of any action or claim that the recipient has against a third party if the medical assistance was provided because of injury or illness for which the third party might be liable.

Secondly, section 1 amends AS 47.05.070 (b) by requiring a medical provider to notify the Department of Health and Social Services in writing when the provider files a lien for unpaid medical assistance against a judgement, award, or settlement that is obtained by or on behalf of a recipient of medical assistance, and provides that the state's rights under AS 47.05.070 have priority over such a lien. This will ensure that the department is aware of such liens and can act in time to protect the state's rights under AS 47.05.070.

III. Summary

Federal Medicaid laws require states to pursue third party resources available to recipients, including recouping expenditures made on behalf of recipients for medical treatment for accidents or injuries caused by a liable third party. If enacted, this legislation would provide the department with additional tools for locating potential legal actions, and would allow the department undisputable first right of recovery in such actions.

IV. Recommendations

The Department strongly recommends passage of HB 366 to clearly establish the states first right to recovery of medical assistance payments.

Recommended By: Kim Busch  
Kim Busch, Director  
Division of Medical Assistance

Date: 2-17-88

Approved By: Myra M. Munson  
Myra M. Munson, Commissioner  
Department of Health and  
Social Services

Date: 2-17-88

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 15, 1988

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

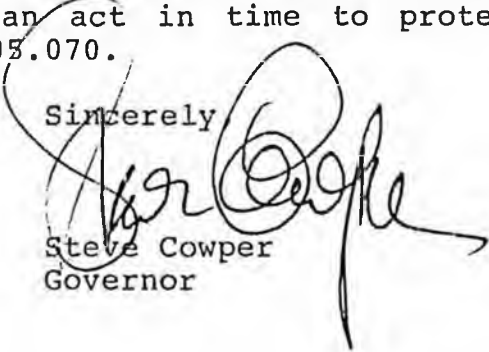
Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the subrogation of medical benefits.

The bill amends AS 47.05.070(b) by requiring a recipient of medical assistance to notify the Department of Health and Social Services (department) in writing of any action or claim that the recipient has against a third party if the medical assistance was provided because of the injury or illness for which the third party might be liable. The notification should enhance the state's ability to recover some medical assistance payments.

The amendments to AS 47.05.070(b) also require a medical provider to notify the department in writing when the provider files a lien for unpaid medical assistance against a judgment, award, or settlement that is obtained by or on behalf of a recipient of medical assistance, and provide that the state's rights under AS 47.05.070 have priority over such a lien. This will ensure that the department is aware of such liens and can act in time to protect the state's rights under AS 47.05.070.

Sincerely

  
Steve Cowper  
Governor

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: \_\_\_\_\_  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to subrogation of  
medical benefits: efd.  
Sponsor: Governor  
Requestor: \_\_\_\_\_

Agency Affected: Health & Social Services  
BRU: Medical Assistance  
Components: Medicaid Facilities, Medicaid  
Non-facilities, General Relief Medical

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL		0	0	0	0	0
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REVENUE		0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Enactment of this legislation should increase the recovery of funds spent on behalf of recipients of Medicaid and General Relief Medical Assistance; however, estimates of such recoveries cannot be made with any validity at this time.

Prepared by: Kim Busch, Director *Kim Busch* Phone: 465-3355  
Division: Medical Assistance Date: 12/21/87

(R) Approved by Commissioner: Myra M. Hanson *Myra M. Hanson* Date: 12/28/87  
Agency: Health and Social Services

Distribution (by preparer):  
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Impacted Agency(ies)

*Myra M. Hanson*  
2-17-88