

HB

325

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/00

REPORTED OUT OF
SFC 4/20/00

FURTHER:

DATE TURNED
IN TO OFFICE: 20 April 00

Finance Committee considered

CS FOR HOUSE BILL NO. 325(JUD)

"An Act relating to priorities, claims, and liens for payment for certain medical services provided to medical assistance recipients; and providing for an effective date."

and recommends:

- be replaced with S CS HB 325 (FIN)
- adopt previous _____ CS _____
- attached amendment(s) CS forthcoming
- adopt Letter of Intent by _____
- further referral to the _____ Committee

- Senate Bill:
 - same title
 - new title
- House Bill:
 - same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>al Adams</i>	X				
<i>Gary L. Latta</i>	✓				
<i>Loran D. Leman</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>Sean Carroll</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<u>H&SS</u>	<u>4/5/00</u>		<u>(52.7)</u>

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

REPORTED OUT OF
 SFC 4/20/00

BILL NO. CS HB 325 (JUD)

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
 Title: Medicaid lien recovery and filing period BRU: Medical Assistance
 Component: Medicaid Services
 Sponsor: Rules COMPONENT SERIAL NO. 2077
 Requestor: House Finance See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(52.7)	(210.7)	(210.7)	(210.7)	(210.7)	(210.7)
MISCELLANEOUS						
TOTAL OPERATING	(52.7)	(210.7)	(210.7)	(210.7)	(210.7)	(210.7)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(31.5)	(126.0)	(126.0)	(126.0)	(126.0)	(126.0)
1003 GF Match	(21.2)	(84.7)	(84.7)	(84.7)	(84.7)	(84.7)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	(52.7)	(210.7)	(210.7)	(210.7)	(210.7)	(210.7)

Estimate of any current year (FY2000) cost: \$0.0

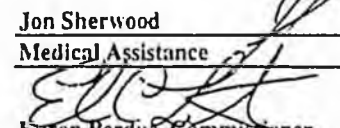
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation would make two changes to the Medicaid program. First, the legislation would strengthen the Department of Health and Social Services' ability to recover money from third party payors when they are liable for the medical expenses that have been paid by the department for someone receiving medical assistance under Medicaid or the Chronic and Acute Medical Assistance (CAMA) program. This would result in the Department recovering more of these expenditures. The impact is shown above and explained on the following page. (Note: impact to CAMA are not included as they are not considered material.)

The legislation also extends the timely filing period for providers to submit claims to Medicaid and CAMA from six months to one year. Fiscal impact of this change is not material to the Medicaid and CAMA programs.

Prepared by: Jon Sherwood Phone: 465-3355
 Division: Medical Assistance Date/Time: 4/5/00 9:38 AM

 Approved by Commissioner: Karen Perdue, Commissioner Date: 4/5/00
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

Medicaid Lien and Recovery

Giving the Department lien authority and improving its subrogation rights will result in increased third-party settlement recoveries (those recoveries in which liens and subrogation are at issue) for the Medicaid program. Because regulations are necessary to implement some provisions and third party recoveries usually take place well after the Medicaid program has paid for the medical services, recoveries are not expected to increase immediately. The table below shows the projected increase in recoveries.

Year	Increased Recovery (thousands)
FY2001	\$52.7
FY2002	\$210.7
FY2003	\$210.7
FY2004	\$210.7
FY2005	\$210.7
FY2006	\$210.7

Assumption: Third party settlement recoveries will increase by one-third, beginning in the 4th quarter of FY2001.

Timely Filing Period Extension

Impact to the Medicaid and CAMA programs of extending the timely filing period are not material.

Torgerson

SENATE FINANCE
COMMITTEE

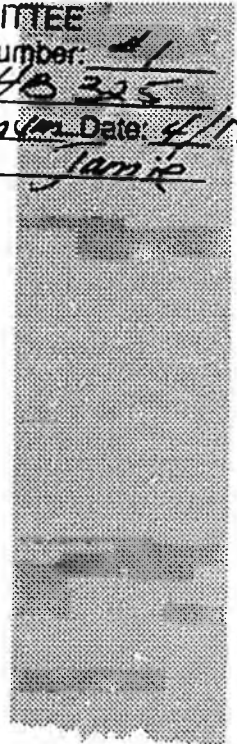
Amendment Number: 41
Bill Number: HB 305
Sponsor: Torgerson Date: 4/17/00
Logged In By: Jamie

Page 3

line 29

delete

[interpret and]



Torgerson

SENATE FINANCE
COMMITTEE

Amendment Number: 41
Bill Number: HB 325
Sponsor: Torgerson Date: 4/17/00
Logged In By: Jamie

Page 3
line 29

delete

[interpret and]

SENATE FINANCE
COMMITTEE

Amendment Number: # 2

Bill Number: HB 325

Sponsor: Parnell Date: 4/20/10

Logged In By: Jamie

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR Parnell

TO: CSHB 325(JUD)

- 1 Page 2, line 1, following "has priority":
- 2 Delete "over"
- 3 Insert "immediately after"



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 20 April 00 TIME: 9:20 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: HB 325 1-G#2058 \ G
plus attached amendments

Thx
Mindy

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 325		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Parnell		
<u>Objection by</u>	none		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u> Pass			

HB 325



TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

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January 31, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

In the interest of recovering medical assistance payments due to the state, I am transmitting this bill that grants the Department of Health and Social Services an express right to a lien against any money recovered from a third party for assistance payments. The bill also strengthens the department's existing right of third party subrogation and extends the time period from six months to one year for medical providers to file claims with the department for medical services provided.

Under the bill, when a state medical assistance recipient recovers money from a third party who is found liable for the recipient's medical expenses, the department would have a lien against that recovery. The department's lien would be reduced by a pro rata share of the recipient's attorney fees and litigation costs incurred in the recovery. If the department incurs attorney fees and costs to enforce the lien, the amount of the lien would be increased to cover those fees and costs. The department's lien would take priority over a lien filed by a hospital, nurse, or physician.


Under existing law, when a state medical assistance recipient has a claim against a third party for the recipient's medical expenses, the department has a right of subrogation. This law allows the department to stand in the place of the recipient to enforce the recipient's claim for medical assistance payments against an insurer or other third party. This bill adds a requirement that the recipient give the department notice if the recipient has an action or claim against a third party so that the department may enforce its subrogation rights. The bill also expressly grants the department the right to bring an

The Honorable Brian Porter
January 31, 2000
Page 2

action to recover on a subrogated medical assistance claim regardless of whether the recipient acts or fails to act to enforce the claim.

I urge your support of this important legislation.

Sincerely,



Tony Knowles
Governor

Teleconference - Available if any questions

Off-net 1

HB 98 Diane Wendlandt, Dept. Law

Anc L10 HB 105 Kit Roberts

HB 325 Leonard Anderson

Off-Net 2 HB 239 Jerry Kurtz - to testify



Teleconference Participants

TCN: 10794

Participant Lists

View List for

ALL ▾

Testifiers ▾

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Participants

Unidentified Testifiers:

Unidentified Observers:

ANCHORAGE (ANC)

1

Name: Mr. Leonard Anderson

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: HB 325: MEDICAL ASSISTANCE: LIENS & CLAIMS

SENATE FINANCE COMMITTEE

SIGN-IN

HB 325-MEDICAL ASSISTANCE:LIENS & CLAIMS

NAME: Jen Sherwood Subject/Bill No: HB 325
Co./Dept./Title: DM A Phone: 465-5820
Address: AOB Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: Lisa Kivson, AAG Subject/Bill No: HB 325
Co./Dept./Title: DOL, DMA Phone: 465 3600
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions