

2010 -- H 7697

LC01438

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO INSURANCE - MEDICAL ASSISTANCE INSURANCE PAYMENTS

Introduced By: Representative Robert A. Watson

Date Introduced: February 25, 2010

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended  
2 by adding thereto the following chapter:

3 CHAPTER 57.1

4 MEDICAL ASSISTANCE INTERCEPT ACT

5 **27-57.1-1. Interception of insurance payments.** – (a) Every domestic insurer or  
6 insurance company authorized to issue policies of liability insurance pursuant to this title, and  
7 also any workers' compensation insurer, shall, within thirty (30) days prior to the making of any  
8 payment equal to or in excess of three thousand dollars (\$3,000) to any claimant who is a resident  
9 of the State of Rhode Island or to any claimant who has had an accident or loss that occurred in  
10 the State of Rhode Island, for personal injury or workers' compensation benefits under a contract  
11 of insurance, review information provided by the department of human services pursuant to  
12 section 27-57.1-4 indicating whether the claimant has received medical assistance in accordance  
13 with chapter 40-8.

14 (b) If the insurer determines from the information provided by the department pursuant to  
15 section 27-57.1-4 that the claimant or payee has not received medical assistance, the insurer may  
16 make the payment to the claimant in accordance with the contract of the insurance.

17 (c) If the insurer determines from the information provided by the department pursuant to  
18 section 27-57.1-4 that the claimant or payee has received medical assistance, the insurer shall,  
19 except to the extent payments are subject to liens, written notices, or interests described in section

1 27-57.1-3, withhold from payment the amount to the extent of the distribution for medical  
2 assistance and pay that amount to the department of human services and the insurer shall pay the  
3 balance to the claimant or other person entitled to it; provided, that the insurer or insurance  
4 company shall provide written notice by regular mail to the claimant and his or her attorney, if  
5 any. The notice shall reflect the date, name, social security number, case number, and amount of  
6 the payment. Any insurer or insurance company, its directors, agents, and employees and central  
7 reporting organizations and their respective employees authorized by an insurer to act on its  
8 behalf who release information in accordance with the provisions of this chapter, or who withhold  
9 amounts from payment based upon the latest information supplied by the department pursuant to  
10 section 27-57.1-4 and makes disbursements in accordance with section 27-57.1-3, shall be in  
11 compliance and shall be immune from any liability to the claimant, payee lien holder, payee who  
12 provided written notice, or security interest holder for taking that action.

13 (d) Any claimant aggrieved by any action taken under this section may, within thirty (30)  
14 days of the making of the notice to the claimant in subsection (c) of this section, request a hearing  
15 from the department of human services.

16 **27-57.1-2. Notice provider to obligors of interception of insurance settlements. – In**  
17 any case where the department of human services has intercepted an insurance payment, the  
18 department shall notify the obligor.

19 **27-57.1-3. Certain liens not affected. – Nothing in this chapter shall be construed to**  
20 affect the validity or priority of liens or written notices of health care providers, attorney fees,  
21 holders of security interests, or the assignment of rights under section 40-6-9 which may exist.  
22 Funds subject to liens, written notices, or security interests shall be paid to the lien or interest  
23 holder. Funds available to be paid pursuant to chapter 27-57 for the payment of child support  
24 shall supersede any payment made pursuant to this chapter.

25 **27-57.1-4. Information to be provided by the department of human services. – (a)**  
26 The department shall periodically within each year furnish the insurance companies and insurers  
27 subject to this section with a list or compilation of names of individuals, with last known  
28 addresses, who as of the date of the list or compilation have received medical assistance in excess  
29 of five hundred dollars (\$500) as shown on the department's computer system. For the purposes  
30 of this section, the terms used in this section have the meaning and definitions specified in section  
31 40-8-2.

32 (b) In order to facilitate the efficient and prompt reporting of those arrearages in one  
33 centralized location, it is the duty and responsibility of the insurance companies doing business in  
34 the state to utilize one centralized database to which the department shall report and administer.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO INSURANCE - MEDICAL ASSISTANCE INSURANCE PAYMENTS

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1           This act would require insurers of an accident or loss that occurred in the State of Rhode  
2 Island, for third party for personal injury or workers' compensation benefits under a contract of  
3 insurance, to review information provided by the department of human services indicating  
4 whether the claimant has received medical assistance and provides for DHS to recover by way of  
5 intercept, medical assistance payments from the insurance settlement.

6           This act would take effect upon passage.

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