

SENATE BILL REPORT

HB 1162

As Reported By Senate Committee On:
Health & Long-Term Care, March 25, 1997

Title: An act relating to delegation of lien and subrogation rights to medical health care systems by contract.

Brief Description: Providing for delegation of lien and subrogation rights to medical health care systems by contract.

Sponsors: Representatives Dyer and Cody; by request of Department of Social and Health Services.

Brief History:

Committee Activity: Health & Long-Term Care: 3/19/97, 3/25/97 [DP].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Deccio, Chair; Wood, Vice Chair; Franklin and Wojahn.

Staff: Jonathan Seib (786-7427)

Background: As early as 1983, the Department of Social and Health Services (DSHS) was strongly encouraged by the Legislature to provide medical assistance (mostly Medicaid funded) through managed care organizations (MCO). Presently, the Medical Assistance Administration (MAA) within DSHS contracts with 19 MCOs to provide services to about 437,000 children, pregnant women, and income assistance recipients. The program is widely known as *Healthy Options*. As it is necessary for these carriers to assume financial risk, DSHS believes it is equally important for them to be fully empowered to secure appropriate recovery through lien and subrogation powers. Presently, such powers lie statutorily with DSHS.

A typical case example is where a Medicaid beneficiary is injured in an accident and is due payment of care from a third party payer. Since Medicaid is, by federal law, the last- payer, it is necessary for the MCO to recover any payment due the beneficiary.

Summary of Bill: Current law is amended to clarify that DSHS may, by contract, extend its powers of lien and subrogation to a MCO.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill essentially makes a technical change to make the law consistent with DSHS contracting practices.

Testimony Against: None.

Testified: PRO: Jane Beyer, Department of Social and Health Services.