

State of Arkansas
83rd General Assembly
Regular Session, 2001

A Bill

SENATE BILL 894

By: Senator Mahony

For An Act To Be Entitled

AN ACT TO AUTHORIZE MEDICAID RECIPIENTS TO RETAIN A
PORTION OF THEIR RECOVERIES FROM CIVIL LAWSUITS NOT
UNDERTAKEN BY THE DEPARTMENT OF HUMAN SERVICES; AND
FOR OTHER PURPOSES.

Subtitle

AN ACT TO AUTHORIZE MEDICAID RECIPIENTS
TO RETAIN A PORTION OF THEIR RECOVERIES
FROM CIVIL LAWSUITS NOT UNDERTAKEN BY THE
DEPARTMENT OF HUMAN SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 20-77-307 is amended to read as follows:
20-77-307. Assignment to department of rights of recovery.

(a) As a condition of eligibility, every Medicaid applicant shall
automatically assign his or her right to any settlement, judgment, or award
which may be obtained against any third party to the Arkansas Department of
Human Services to the full extent of any amount which may be paid by Medicaid
for the benefit of the applicant.

(b) The application for Medicaid benefits shall, in itself, constitute
an assignment by operation of law.

(c) (1) The assignment shall be considered a statutory lien on any
settlement, judgment, or award received by the recipient from a third party.

(2) If the Medicaid recipient receives any settlement, judgment,
or award against any third party, the lien will be reduced:

(A) By ten percent (10%) if no civil lawsuit is filed;

1 (B) By twenty percent (20%) if a civil lawsuit is filed
2 but not tried; and

3 (C) By thirty percent (30%) if a civil lawsuit is tried.

4 (3) If the Department of Human Services intervenes in a civil
5 lawsuit to protect its lien, the recipient will not receive a reduction of
6 the lien.

7 (d) Every Medicaid applicant, as a condition of eligibility, shall
8 cooperate in establishing paternity, except for good cause shown, for a child
9 born out of wedlock for whom the recipient can legally assign rights, in
10 obtaining medical care, support, and payments for himself or herself or any
11 other person for whom the individual can legally assign rights, and in
12 identifying and providing information to assist the Department of Human
13 Services and the Office of Child Support Enforcement in pursuing any liable
14 third party.