

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007

A Bill

HOUSE BILL 1471

4
5 By: Representative Moore
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For An Act To Be Entitled

8
9 AN ACT TO ENSURE THAT THIRD PARTIES THAT ARE
10 LIABLE FOR MEDICAID COSTS PROVIDE REIMBURSEMENT
11 TO THE MEDICAID PROGRAM; AND FOR OTHER PURPOSES.
12

Subtitle

13
14 AN ACT TO ENSURE THAT THIRD PARTIES THAT
15 ARE LIABLE FOR MEDICAID COSTS PROVIDE
16 REIMBURSEMENT TO THE MEDICAID PROGRAM.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 20-77-306 is amended to read as follows:
22 20-77-306. Liability of third parties to Department of Human Services.

23 (a) As used in this section, "health insurers" includes:

24 (1) Self-insured plans;

25 (2) Pharmacy benefits managers;

26 (3) Workers' compensation;

27 (4) Automobile insurance, including casualty, medical payment,
28 uninsured motorist bodily injury coverage, and underinsured benefits but does
29 not include benefits payable for or limited under the terms of the policy to
30 property damage or wrongful death;

31 (5) Liability insurance plans;

32 (6) Managed care organizations;

33 (7) Group health plans as defined in section 607(1) of the
34 Employee Retirement Income Security Act of 1974, 29 U.S.C § 1001 et seq., as
35 it existed on January 1, 2007; and

36 (8) Other parties that are by statute, contract, or agreement,



1 legally responsible for payment of a claim for a health care item or service,
 2 including indemnity coverage and specified disease coverage, third-party
 3 administrators, fiscal intermediaries, and managed care contractors that
 4 administer benefits on behalf of a risk bearing plan sponsor.

5 (b) All third parties and health insurers who that were legally liable
 6 for any or part of any medical cost of an injury, disease, disability, or
 7 condition requiring medical treatment for which the Medicaid program,
 8 established by § 20-77-102 has paid, or has assumed liability to pay, shall
 9 be liable to the ~~Department of Human Services~~ Department of Health and Human
 10 Services for the amount of their liability to the extent that the department
 11 has paid or agreed to pay.

12 (c)(1) Upon request of the Medicaid agency, a third party health
 13 insurer doing business in the state shall provide the department with
 14 eligibility and coverage information that will enable the department to
 15 determine the existence of third party coverage for Medicaid recipients.

16 (2) The eligibility and coverage information shall include
 17 information that will permit the department to determine during what period
 18 Medicaid recipients may be or may have been covered by the health insurer and
 19 the nature of the coverage that is or was provided, including the name,
 20 address, and identifying number of the plan, in a manner prescribed by the
 21 Director of the Department of Health and Human Services.

22 (d) Health insurers shall:

23 (1)(A) Accept the department's right of recovery and the
 24 assignment to the department of the right of a Medicaid recipient or other
 25 entity to payment from the party for an item or a service for which Medicaid
 26 has made payment.

27 (B) The assignment of a recipient's right to third party
 28 coverage to the state occurs at the time the recipient requests an item or a
 29 service;

30 (2) Process and, if appropriate, pay the claim for reimbursement
 31 from Medicaid to the same extent that the plan would have been liable had it
 32 been properly billed at the point of sale;

33 (3) Agree not to deny claims submitted by the department on the
 34 basis of the date of submission of the claim, the type or format of the claim
 35 form, or a failure to present proper documentation of coverage at the point
 36 of sale that is the basis of the claim; and

1 (4)(A) Make payment to the department if the claim is submitted
2 by the department within three (3) years from the date on which the item or
3 service was furnished.

4 (B) Any action by the department to enforce its rights
5 with respect to the claim shall be commenced within six (6) years of the
6 department's submission of the claim.

7 (C) Health insurers also shall respond to any inquiry by
8 the department regarding claims submitted within three (3) years from the
9 date on which the item or service was furnished.

10 (e) Nothing in subdivision (d)(4) of this section shall require or
11 obligate a health insurer to reimburse the department for items or services
12 that are not covered under the plan, and the amount due as reimbursement to
13 the department is limited to what the plan would have paid if it had been a
14 timely request for payment.

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