

S.B. NO. 2711

JAN 25 2012

A BILL FOR AN ACT

RELATING TO MEDICAID.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the valuation of
2 damages that a Medicaid recipient incurs can be vague.
3 Recipients have argued that the value is actually the amount
4 that a provider charges, which is usually significantly more
5 than the actual amount that Medicaid has paid on a recipient's
6 behalf. The result is that recipients claim that the settlement
7 amount they received is a small percentage of what the damages
8 are and often argue that the Medicaid lien should be reduced by
9 the same percentage. These situations significantly reduce the
10 amount of money that is recovered for reimbursing the Department
11 of Human Services for its lien.

12 The purpose of this Act is to define, for the limited
13 purpose of reimbursing Medicaid for benefits paid out, the term
14 "value of damages" as the total amount that a Medicaid recipient
15 receives from a settlement or what a court or jury awards to the
16 Medicaid recipient.

S.B. NO. 2711

SECTION 2. Section 346-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Value of damages" for the limited purpose of reimbursing Medicaid for benefits paid out means the total amount that a Medicaid recipient receives from a settlement or what a court or jury awards to the Medicaid recipient."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY:

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BY REQUEST

S.B. NO. 2711

Report Title:

Medicaid; Reimbursements

Description:

Amends section 346-1, Hawaii Revised Statutes, to define, for the limited purpose of reimbursing Medicaid for benefits paid out, the term "value of damages" as the total amount that a Medicaid recipient receives from a settlement or what a court or jury awards to the Medicaid recipient.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Attorney General

TITLE: A BILL FOR AN ACT RELATING TO MEDICAID.

PURPOSE: The purpose of this Act is to define the term "value of damages" as the total amount that a Medicaid recipient receives from a settlement or what a court or jury awards to the Medicaid recipient.

MEANS: Amend section 346-1, Hawaii Revised Statutes.

JUSTIFICATION: The valuation of damages that a Medicaid recipient incurs can be vague. Recipients frequently argue that the value is actually the amount that a provider charges, which is usually significantly more than the actual amount that Medicaid has paid on a recipient's behalf. The result is that recipients claim that the settlement amount they received is a small percentage of what the damages are and often argue that the Medicaid lien should be reduced by the same percentage. These situations significantly reduce the amount of money that is recovered for reimbursing the Department of Human Services for its lien.

Impact on the public: There will be an impact on the Medicaid recipient.

Impact on the department and other agencies: This amendment will assist the Department of Human Services in its collections of reimbursements for its Medicaid liens.

GENERAL FUND: None.

OTHER FUNDS: None.

SB. NO. 2711

PPBS PROGRAM
DESIGNATION:

None.

OTHER AFFECTED
AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.