



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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Memorandum

To: The Honorable Raymond E. Gallison, Jr.
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: May 23, 2014

Subject: Amendments to the FY 2015 Appropriations Act (14-H-7133)

The Governor respectfully requests that Section 4 of Article 27, Relating to Medical Assistance Recoveries, be amended to reflect a federally-imposed two year delay in the effective date of Section 2.

As submitted, Section 4 reads as follows:

SECTION 4. Section 2 of this article shall take effect as of October 1, 2014. The remainder of this article shall take effect upon passage.

The Governor requests that Section 4 be amended to read as follows:

SECTION 4. Section 2 of this article shall take effect as of October 1, 2016. The remainder of this article shall take effect upon passage.

Section 2 of Article 27 amends RIGL 40-6-9 to ensure that the State is entitled to recover all applicable Medicaid expenses from payments made by a third party (e.g. a liability settlement) to a Medicaid recipient, irrespective of the amount of the settlement or judgment that is specifically allocated to health and/or medical care. It further provides that EOHHS may place a lien against an applicant or recipient's liability settlement(s).

The statutory changes proposed in Section 2 were designed to conform with certain provisions of a federal joint resolution enacted on December 26, 2013, H.J. Res. 59. This resolution amended the Social Security Act to require that states fully recover (to the

extent of the total settlement) medical expenses incurred on behalf of a Medicaid recipient from any third party with a legal liability for payment. Language in the Social Security Act limiting the amount of this recovery to that portion of a liability settlement designated for medical care was repealed. Furthermore, H.J. Res. 59 explicitly granted states the right to establish a lien against any such third party settlement. As these provisions of H.J. Res. 59 were to become effective on October 1, 2014, the effective date of Section 2 was set to that date.

Subsequent to the submission of the Governor's FY 2015 Appropriations Act, Congress passed and the President signed H.R. 4302, *The Protecting Access to Medicare Act of 2014*. Among its many provisions, this Act delays the effective date of the aforementioned provisions of H.J. Res. 59 from October 1, 2014 to October 1, 2016. Accordingly, Section 4 of Article 27 must be revised to accommodate this postponement.

If you have any questions regarding this amendment, please feel free to call me or my staff at 222-6300.

TAM:14-Amend-27
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Steve Hartford, Director of Policy
Richard Licht, Director of Administration
Peter Marino, Director, Office of Management and Budget
Daniel Orgel, Principal Budget Analyst