

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB 315

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Simon

3. Committee: Passed Both Houses

4. Title: Medical Assistance Services, Department of; lien for claim of personal injuries

5. Summary: The enrolled bill creates a process by which a lien in favor of the Department of Medical Assistance Services on a claim for personal injuries may be satisfied upon the request of the injured person who received medical care or services to treat such personal injury. The bill provides that the Department is required within 60 days of receipt of the request of the injured person to provide such injured person or his personal representative with an itemized statement detailing all health care expenses paid for by a program of the Department and a sum specific demand for payment in full and final resolution of the Department's lien. Such request shall not be made by the injured person or his personal representative until all claims for health care expenses to be paid for by a program of the Department for an alleged injury on which the claim is based have been submitted to and processed for potential payment by the Department. The bill provides that if the Department fails to respond to such request, the injured party or his personal representative may submit to the Department an offer of payment for a sum certain in satisfaction of the lien, including an explanation of the reasons for such offer, and the Department may then, within 30 days, accept or reject such offer. The bill also clarifies that such process is not the exclusive means by which an injured person or his personal representative may request such itemized statement of health care expenses. Under the bill, the Department shall report on a quarterly basis those offers of the payment for a sum certain in satisfaction of liens to which it does not respond to the Senate Committee on Finance and Appropriations and the House Committee on Appropriations.

6. Budget Amendment Necessary: See Item 8.

7. Indeterminate Fiscal Impact: Preliminary, See Item 8.

8. Fiscal Implications: The bill requires DMAS to provide a lien itemization to an injured person or his personal representative within 60 days of a request provided all claims have been submitted to and processed by DMAS. DMAS currently has at least 60 days after a claim is paid and a liable third party is known to seek recovery of such amounts. Providers have up to one year to submit claims, and managed care organizations must submit complete, timely, reasonable, and accurate data to DMAS within 30 days of their adjudication of that claim. All casualty claims and liens are handled by the agency's third-party liability (TPL) unit. There are currently 14 positions in the agency's TPL unit. On average, the division clears approximately 67 cases each week, or about 4.8 cases per position. DMAS maintains

that the TPL unit receives approximately 400 TPL cases each week, or approximately 20,800 annually.

On February 21, 2024, DMAS reported that the agency is implementing a series of operational changes and efficiency measures in its TPL unit. DMAS reports that the agency has already eliminated a verification process that was deemed redundant. Additionally, DMAS indicates that the agency is moving forward with the design and implementation of a combined internal TPL case management system and external public facing portal that will create significant efficiencies specific to the casualty lien determination process. This solution is scheduled begin on September 1, 2024. DMAS maintains that these changes to TPL procedures will significantly reduce the time it takes to process a casualty lien thereby increasing the productivity of the existing unit. DMAS indicates that it expects each employee will be able to handle upwards of 20 cases per week once all changes are implemented. Assuming the DMAS efficiencies are implemented as described, it is expected that the current unit may need approximately six additional positions (400 cases per week = 20 staff handling 20 cases) to meet handle the expected workload of this legislation. However, until DMAS fully implements all planned TPL enhancements, ultimate staff productivity is uncertain. Therefore, the fiscal implications cannot be fully determined at this time.

9. Specific Agency or Political Subdivisions Affected:

Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: None