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Senate Bill 311 (as introduced 3-24-11)  
Sponsor: Senator Bruce Caswell  
Committee: Appropriations

Date Completed: 4-13-11

### **CONTENT**

Public Act 593 of 2006 was enacted to require most entities that pay health care claims to provide the information necessary to determine whether their clients are eligible for the State's Medicaid program. This legislation was created in order to increase Medicaid third party liability collections. Because Medicaid is payer of last resort, an individual's primary insurance coverage must pay claims before the Medicaid program makes such payments.

Under the Act, regular health insurers, various managed care organizations, self-funded plans, and the State's worker's compensation program, among others, are subject to the requirement to provide information. One insurance entity, automobile insurance companies, was not included in the 2006 legislation.

Senate Bill 311 would amend the Act to make automobile insurance companies subject to the requirement to share recipient information. The goal is to increase third party liability collections and assure that health care costs for Medicaid recipients involved in vehicular accidents are paid by the automobile insurance company rather than by Medicaid.

MCL 550.281

### **FISCAL IMPACT**

The Governor's FY 2011-12 Department of Community Health budget assumes passage of this legislation and budgets savings to the Medicaid program of \$14.8 million Gross and \$5.0 GF/GP. The savings projection appears to be reasonable.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.