

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 31

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO MEDICAL ASSISTANCE; AMENDING SECTION 56-209b, IDAHO CODE, TO  
2 ESTABLISH PROVISIONS REGARDING CERTAIN ACCEPTANCE OF PRIOR AUTHORIZA-  
3 TIONS FOR RECIPIENTS OF MEDICAL ASSISTANCE AND TO MAKE TECHNICAL COR-  
4 RECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.  
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 56-209b, Idaho Code, be, and the same is hereby  
8 amended to read as follows:

9 56-209b. MEDICAL ASSISTANCE -- MEDICAL ASSISTANCE ACCOUNT. (1) Medi-  
10 cal assistance shall be awarded to persons as mandated by federal law<sup>7</sup>, and  
11 medical assistance may be awarded to such other persons not required to be  
12 awarded medical assistance as mandated by federal law when such award is to  
13 the fiscal advantage of the state of Idaho.

14 (2) There is hereby created in the dedicated fund the medical assis-  
15 tance account. The medical assistance account shall be an entity primarily  
16 designed to receive moneys from the families and relatives of patients re-  
17 ceiving medical assistance under the state plan for medicaid<sup>7</sup> and to pro-  
18 vide a source of moneys to pay for the state's share of medical assistance ex-  
19 penses. Moneys in the medical assistance account may not be commingled with  
20 moneys in the cooperative welfare ~~account~~ fund. Moneys in the medical as-  
21 sistance account must be appropriated in order to be expended to pay for the  
22 state's share of medical assistance expenses.

23 (3) In all cases where the department of health and welfare through the  
24 medical assistance program has or will be required to pay medical expenses  
25 for a recipient and that recipient is entitled to recover any or all such med-  
26 ical expenses from any third party or entity, the department of health and  
27 welfare will be subrogated to the rights of the recipient to the extent of the  
28 amount of medical assistance benefits paid by the department as the result of  
29 the occurrence giving rise to the claim against the third party or entity.

30 (4) If a recipient of medical assistance pursues a claim against a third  
31 party or entity through litigation or a settlement, the recipient will so no-  
32 tify the department. If a recipient fails to notify the department of such  
33 claim, the department may recover the amount of any public assistance ob-  
34 tained by the recipient while the recipient pursued such claim. In addition,  
35 if the recipient recovers funds, either by settlement or judgment, from such  
36 a third party or entity, the recipient shall reimburse the department to the  
37 extent of the funds received in settlement, minus attorney's fees and costs,  
38 the amount of the medical assistance benefits paid by the department on his  
39 behalf as a result of the occurrence giving rise to the need for medical as-  
40 sistance. The department shall be entitled to all the legal rights and pow-  
41 ers of a creditor against a debtor in enforcing the recipient's reimburse-  
42 ment obligation.

1 (5) The department shall have priority to any amount received from  
2 a third party or entity ~~which~~ that can reasonably be construed to compen-  
3 sate the recipient for the occurrence giving rise to the need for medical  
4 assistance, whether the settlement or judgment is obtained through the sub-  
5 rogation right of the department or through recovery by the recipient, and  
6 whether or not the recipient is made whole by the amount recovered. The de-  
7 partment will be entitled to reimbursement of medical assistance benefits  
8 paid on behalf of the recipient arising from the incident or occurrence prior  
9 to any amount being distributed to the recipient. The department may notify  
10 such third party or entity of the department's entitlement to receive the  
11 reimbursement prior to any amount being distributed to the recipient. Fur-  
12 thermore, the department may instruct the third party or entity to make such  
13 payment directly to the department prior to any amount being distributed to  
14 the recipient. Any third party or entity who distributed funds in violation  
15 of such a notice shall be liable to the department for the amount of the re-  
16 imbursement.

17 (6) In the event a recipient of assistance through the medical assis-  
18 tance program incurs the obligation to pay attorney's fees and costs for the  
19 purpose of enforcing a monetary claim to which the department has a right  
20 under this section, the amount ~~which~~ that the department is entitled to re-  
21 cover, or any lesser amount ~~which~~ that the department may agree to accept in  
22 compromise of its claim, shall be reduced by an amount ~~which~~ that bears the  
23 same relation to the total amount of attorney's fees and costs actually paid  
24 by the recipient as the amount actually recovered for medical expenses paid  
25 by the department, exclusive of the reduction for attorney's fees and costs,  
26 bears to the total amount paid by the third party or entity to the recipient.  
27 If a settlement or judgment is received by the recipient without delineating  
28 what portion of the settlement or judgment is in payment of medical expenses,  
29 it will be presumed that the settlement or judgment applies first to the med-  
30 ical expenses incurred by the recipient in an amount equal to the expenditure  
31 for medical assistance benefits paid by the department as a result of the oc-  
32 currence giving rise to the payment or payments to the recipient.

33 (7) If a responsible third party requires prior authorization for an  
34 item or service provided to a recipient of medical assistance, the respon-  
35 sible third party shall accept an authorization provided by the department  
36 that such item or service is covered under the state plan or applicable  
37 waiver as if such authorization was made by the third party for the item or  
38 service.

39 SECTION 2. An emergency existing therefor, which emergency is hereby  
40 declared to exist, this act shall be in full force and effect on and after  
41 July 1, 2025.