

2013 -- S 0656

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - MEDICAL ASSISTANCE

Introduced By: Senators McCaffrey, and Walaska

Date Introduced: March 06, 2013

Referred To: Senate Judiciary

(OHHS)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
2 amended by adding thereto the following section:

3 **40-8-3.1 Life Estate in Property-Retained Powers.--** As a condition of eligibility for
4 medical assistance, every applicant or recipient who owns a life estate in property with retained
5 rights to revoke, amend or redesignate the remainderman must exercise those rights as directed by
6 the executive office of health and human services. The acceptance of medical assistance shall be
7 an assignment by operation of law to the executive office of health and human services of any
8 right to revoke, amend or redesignate the remainderman of a life estate in property. Any property
9 subject to the assignment provisions of this section is consistent and subject to the assignment and
10 subrogation provisions of section 40-6-9, the lien provisions of section 40-8-15 and any remedy
11 provided by applicable state and federal laws and rules and regulations. These provisions shall
12 apply to any life estate created, executed and/or recorded on or after the statutory effective date of
13 this section.

14 SECTION 2. Chapter 42-7.2 of the General Laws entitled "Office of Health and Human
15 Services" is hereby amended by adding thereto the following section:

16 **42-7.2-18. Administrative subpoena.--** (a) The executive office of health and human
17 services (EOHHS) and it's departments and divisions, shall be authorized to issue subpoenas as
18 appropriate to the individuals and entities including, but not limited to, any state or municipal
19 agency, utility company, including telephone, assessor's offices, and housing authorities,

1 employers, professional or trade associations and labor unions, professional or trade licensing
2 boards, banks and other financial institutions, credit bureaus or agencies, or any other individual
3 or entity which the EOHHS and it's departments and divisions has reason to believe may have
4 information that relates to or may assist to secure financial and other information necessary for
5 administrating the programs of EOHHS and it's departments and divisions.

6 (b) Any entity or individual who fails to reply to an administrative subpoena shall be
7 liable for a civil penalty of one hundred dollars (\$100) for the violation, to be assessed by the
8 EOHHS or it's departments and divisions or a Rhode Island court, and shall be required to
9 provide the information and/or comply with the request."

10 SECTION 3. Chapter 4-61 of the General Laws entitled "State Lottery" is hereby
11 amended by adding thereto the following section:

12 **42-61-7.3. Payment of prizes in excess of six hundred dollars (\$600) - Setoff for**
13 **Medical Assistance reimbursement. -- Notwithstanding the provisions of sections 42-61-7, 42-**
14 **61-7.1 and 42-61-7.2 relating to assignment of prizes and setoff for child support debts and**
15 **benefit overpayments and unpaid taxes, the following setoff provisions shall apply to the payment**
16 **of any prizes or winning ticket in excess of six hundred dollars (\$600).**

17 (1) With respect to a person entitled to receive the prize or winning ticket who has unpaid
18 amounts owed to the executive office of health and human services in excess of six hundred
19 dollars (\$600), as evidenced by the tax administrator pursuant to subdivision 42-61-7.3(3), the
20 lottery director:

21 (i) Shall setoff against the amount due to that person after state and federal tax
22 withholding an amount up to the balance of the unpaid medical assistance owed as evidenced by
23 the executive office of health and human services pursuant to subdivision 42-61-7.3(3), and the
24 director shall make payment of this amount directly to the executive office of health and human
25 services; and

26 (ii) Shall pay to that person the remaining balance of the prize or winning ticket amount,
27 if any, after reduction of the amount setoff above for medical assistance owed. If in any instance,
28 the lottery director has received notice from more than one claimant agency, the claim for child
29 support arrearage(s) owed to the department of human services shall receive first (1st) priority,
30 the claim for benefit overpayments and interest owed to the department of labor and training the
31 second (2nd) priority, the claim for taxes owed to the tax administrator the third (3rd) priority,
32 and the claim for medical assistance owed to the executive office of health and human services
33 the fourth (4th) priority.

34 (2) The director shall be discharged of all further liability upon payment of a prize or

1 winning ticket pursuant to this section.

2 (3) The executive office of health and human services shall periodically within each year
3 furnish the director with a list or compilation of names of individuals, together with any other
4 identifying information and in a form that the director shall require, who as of the date of the list
5 or compilation, have unpaid medical assistance in excess of six hundred dollars (\$600).

6 (4) Any party aggrieved by any action taken under this section may, within thirty (30)
7 days of the withholding of the payment by the lottery director, seek a review with the executive
8 office of health and human services, who may, in his or her discretion, issue a temporary order
9 prohibiting the disbursement of funds under this section, pending final decision.

10 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO STATE AFFAIRS AND GOVERNMENT - MEDICAL ASSISTANCE

1 This act would provide provisions to increase recoveries for medical assistance. As a
2 condition of eligibility for medical assistance, every applicant or recipient who owns a life estate
3 in property with retained rights to revoke, amend or redesignate the remainderman must exercise
4 those rights as directed by the executive office of health and human services. This act also
5 provides EOHHS authority to issue subpoenas as appropriate to the individuals and entities which
6 the EOHHS and it's departments and divisions has reason to believe may have information that
7 relates to or may assist to secure financial and other information necessary for administrating the
8 EOHHS programs. The act would also authorize EOHHS to recover from lottery winning's
9 money's owed EOHHS for medical assistance.

10 This act would take effect upon passage.

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