

1 House BILL NO. 756
 2 INTRODUCED BY Frank Holmes E. Gunderson Cpx
 3 Metcalf Walker McDane

4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING TIMELY
 5 PAYMENTS TO RECIPIENTS OF SUPPLEMENTARY PAYMENTS AND MEDICAL
 6 ASSISTANCE FROM THE DEPARTMENT OF SOCIAL AND REHABILITATION
 7 SERVICES; AMENDING SECTION 71-210.3, R.C.M. 1947."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 71-210.3, R.C.M. 1947, is amended
 11 to read as follows:

12 "71-210.3. Rules ~~and~~ regulations concerning
 13 supplementary payments. ~~(1) The department shall have the~~
 14 ~~authority to establish~~ adopt rules establishing standards of
 15 assistance ~~and apply them uniformly throughout the state~~ and
 16 ~~to determine~~ determining individuals eligible for and the
 17 amount of ~~such~~ supplementary payments under federal and
 18 state guidelines.

19 (2) The department shall adopt rules assuring that
 20 recipients of supplementary payments receive the payments no
 21 later than the 10th day of the month in which they are
 22 entitled to the payments.

23 (3) If the payment does not arrive timely as required
 24 by this section and the rules adopted pursuant to this
 25 section, the intended recipient must notify the department

1 ~~of social and rehabilitation services by the 20th day of~~
 2 ~~that month and the department shall in the next payment to~~
 3 ~~that payee include, in addition to the proper payment, an~~
 4 ~~amount equal to the highest legal interest rate on the~~
 5 ~~delinquent payment accumulated on a daily basis for the~~
 6 ~~period the payment is late.~~

7 (4) The department shall promulgate rules establishing
 8 an expeditious method of validating claims under subsection
 9 (2).

10 (5) The department shall apply the rules uniformly
 11 throughout the state."

12 Section 2. There is a new R.C.M. section numbered
 13 71-1511.1 that reads as follows:

14 71-1511.1. Rules required -- timely payment to
 15 recipient. The department shall adopt rules assuring that
 16 recipients of medical assistance payments receive the
 17 payments no later than the 10th day of the month in which
 18 they are entitled to the payments.

19 Section 3. There is a new R.C.M. section numbered
 20 71-1511.2 that reads as follows:

21 71-1511.2. Interest on untimely payments. (1) If a
 22 payment of medical assistance does not arrive timely as
 23 required by 71-1511.1 and the rules adopted pursuant to that
 24 section, the intended recipient must notify the department
 25 by the 20th day of the month and the department shall in the

1 next payment to that payee include, in addition to the
2 proper payment, an amount equal to the highest legal
3 interest rate on the delinquent payment accumulated on a
4 daily basis for the period the payment is late.

5 (2) The department shall promulgate rules establishing
6 an expeditious method of validating claims under this
7 section.

-End-

STATE OF MONTANA

REQUEST NO. 518-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 17, 19 77, there is hereby submitted a Fiscal Note for House Bill 756 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Provides for timely payment to recipients of supplementary payments and medical assistance from the Department of Social and Rehabilitation Services.

ASSUMPTIONS:

- 1. Penalty charges would be paid only on agency caused delays.
- 2. Penalty charges would be 1.5% monthly or 18% annually.
- 3. The Medicaid backlog does not change.
- 4. The July Dikewood Aging Report is typical of other months.
- 5. Average age of claims over ten days is 7.6 weeks.

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Additional cost due to proposed legislation	<u>\$255,000</u>	<u>\$255,000</u>

TECHNICAL NOTES:

- 1. SRS does not control printing or delivery of S.S.I. checks.
- 2. Medicaid claims are paid weekly. House Bill 756 (71-210.3(2)) refers to a monthly payment schedule.
- 3. It is administratively impossible to comply with 71-210.3(3) and supplement the SSI payments because of check printing schedules.

Richard St. ...
 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: 2-17-77

Approved by Committee
on Public Health, Welfare
& Safety

HOUSE BILL NO. 756

INTRODUCED BY FRATES, HOLMES, COX,
E. GUNDERSON, METCALF, WALDRON, McLANE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING TIMELY
PAYMENTS TO RECIPIENTS OF SUPPLEMENTARY PAYMENTS AND MEDICAL
ASSISTANCE FROM THE DEPARTMENT OF SOCIAL AND REHABILITATION
SERVICES; AMENDING SECTION 71-240.3, R.C.M. 1947 CREATING A
REVOLVING CONTINGENCY FUND."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 71-240.3, R.C.M. 1947, is amended
to read as follows:

71-240.3. Rules and regulations concerning
supplementary payments. (1) The department shall have the
authority to establish ~~adopt rules establishing~~ standards of
assistance and apply them uniformly throughout the state and
to determine ~~determining~~ individuals eligible for and the
amount of such supplementary payments under federal and
state guidelines.

~~(2) The department shall adopt rules assuring that
recipients of supplementary payments receive the payments no
later than the 10th day of the month in which they are
entitled to the payments.~~

~~(3) If the payment does not arrive timely as required~~

~~by this section and the rules adopted pursuant to this
section, the intended recipient must notify the department
of social and rehabilitation services by the 20th day of
that month and the department shall in the next payment to
that payee include, in addition to the proper payment, an
amount equal to the highest legal interest rate on the
delinquent payment accumulated on a daily basis for the
period the payment is late.~~

~~(4) The department shall promulgate rules establishing
an expeditious method of validating claims under subsection
(3).~~

~~(5) The department shall apply the rules uniformly
throughout the state."~~

Section 1. There is a new R.C.M. section numbered
71-1511.1 that reads as follows:

71-1511.1. Rules required — timely payment to
recipient. The department shall adopt rules assuring that
recipients of medical assistance payments OR THE PROVIDERS
OF HEALTH CARE SERVICES TO SUCH RECIPIENTS receive the
payments no later than the 10th day of the month FOLLOWING
THE MONTH in which they are entitled to the payments SUCH
PAYMENT IS BILLED.

Section 2. There is a new R.C.M. section numbered
71-1511.2 that reads as follows:

71-1511.2. Interest on untimely payments. (1) If a

1 payment of medical assistance does not arrive timely as
2 required by 71-1511.1 and the rules adopted pursuant to that
3 section, the intended recipient OR THE HEALTH CARE PROVIDER
4 must notify the department by the 20th day of the month and
5 the department shall in the next payment to that payee
6 include, in addition to the proper payment, an amount equal
7 to the highest legal interest rate on the delinquent payment
8 accumulated on a daily basis for the period the payment is
9 late.

10 (2) The department shall promulgate rules establishing
11 an expeditious method of validating claims under this
12 section.

13 SECTION 3. CONTINGENCY ACCOUNT. (1) THERE IS A
14 CONTINGENCY ACCOUNT WITHIN THE REVOLVING FUND FOR THE USE OF
15 THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES.

16 (2) THE MONIES IN THE ACCOUNT MAY BE USED TO MAKE
17 SUBSTITUTE PAYMENTS TO RECIPIENTS OF SUPPLEMENTARY PAYMENTS
18 AND MEDICAL ASSISTANCE UPON NOTIFICATION TO THE DEPARTMENT
19 THAT THE PAYMENT IS DELINQUENT.

20 (3) NO RECIPIENT MAY RECEIVE A SUBSTITUTE PAYMENT AS
21 PRESCRIBED IN SUBSECTION (2) UNTIL HE ENTERS INTO AN
22 AGREEMENT WITH THE DEPARTMENT THAT HE WILL REIMBURSE THE
23 DEPARTMENT UPON RECEIPT OF HIS REGULAR PAYMENT.

24 (4) UPON RECEIPT OF SUCH REIMBURSEMENT, THE DEPARTMENT
25 SHALL DEPOSIT IT IN THE CONTINGENCY ACCOUNT.

-End-

APPROVED BY COMM. ON APPROPRIATIONS

1 HOUSE BILL NO. 756
 2 INTRODUCED BY FRATES, HOLMES, COX,
 3 E. GUNDERSON, METCALF, WALDRON, McLANE
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING TIMELY
 6 PAYMENTS TO RECIPIENTS OF ~~SUPPLEMENTARY--PAYMENTS--AND~~
 7 SUPPLEMENTARY AND MEDICAL ASSISTANCE PAYMENTS FROM THE
 8 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES; AMENDING
 9 ~~SECTION--71-210-3,--R.C.M.--1947~~ CREATING A REVOLVING
 10 CONTINGENCY FUND."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 Refer to Second Reading Bill

14 (Strike everything after the enacting clause and insert:)

15 Section 1. There is a new R.C.M. section that reads as
 16 follows:

17 Rules required -- timely payment to recipient. The
 18 department shall adopt rules assuring that recipients of
 19 supplementary and assistance payments receive the payments
 20 no later than the 10th day of the month in which they are
 21 entitled to the payments.

22 Section 2. There is a new R.C.M. section that reads as
 23 follows:

24 Revolving contingency fund. (1) There is a revolving
 25 contingency fund for the use of the department of social and

1 rehabilitation services.
 2 (2) The fund may be used to make substitute payments
 3 to recipients of supplementary and assistance payments upon
 4 notification to the department that the payment is
 5 delinquent.
 6 (3) No recipient may receive a substitute payment as
 7 prescribed in subsection (2) until he enters into an
 8 agreement with the department that he will reimburse that
 9 department upon receipt of his regular payment.
 10 (4) Upon receipt of such regular payments, the
 11 department shall deposit the payments into the revolving
 12 contingency fund.

-End-

SECOND READING
Second Printing

1 HOUSE BILL NO. 756
 2 INTRODUCED BY FRATES, HOLMES, COX,
 3 E. GUNDERSON, METCALF, WALDRON, McLANE
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 5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING TIMELY
 6 PAYMENTS TO RECIPIENTS OF ~~SUPPLEMENTARY PAYMENTS AND~~
 7 SUPPLEMENTARY AND MEDICAL ASSISTANCE PAYMENTS FROM THE
 8 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES; ~~AMENDING~~
 9 ~~SECTION 71-210-3, R.C.M., 1947~~ CREATING A REVOLVING
 10 CONTINGENCY FUND."

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21 entitled to the payments.

22 Section 2. There is a new R.C.M. section that reads as
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24 Revolving contingency fund. (1) There is a revolving
25 contingency fund for the use of the department of social and

1 rehabilitation services.

2 (2) The fund may be used to make substitute payments
3 to recipients of supplementary and assistance payments upon
4 notification to the department that the payment is
5 delinquent.

6 (3) No recipient may receive a substitute payment as
7 prescribed in subsection (2) until he enters into an
8 agreement with the department that he will reimburse that
9 department upon receipt of his regular payment.

10 (4) Upon receipt of such regular payments, the
11 department shall deposit the payments into the revolving
12 contingency fund.

-End-