

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 413
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Short Title: Medical Payments/3d Party Benefits.

(Public)

Sponsors: Senators Cochrane; Harris, Walker, and Carpenter.

Referred to: Human Resources.

March 13, 1989

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE ASSIGNMENT TO THE STATE OF THE RIGHT
TO THIRD PARTY BENEFITS IN DEPARTMENT OF HUMAN RESOURCES
MEDICAL PAYMENT PROGRAMS.

The General Assembly of North Carolina enacts:

Section 1. G.S. Article 1 of Chapter 130A of the General Statutes is amended
by adding a new section to read:

**"§ 130A-13. Application for eligibility for Department medical payment program
constitutes assignment to the State of right to third party benefits.**

(a) Notwithstanding any other provisions of law, by applying for financial
eligibility for any Department medical payment program administered under this
Chapter, the recipient patient or responsible party for the recipient patient shall be
deemed to have made an assignment to the State of the right to third party benefits,
contractual or otherwise, to which he may be entitled to the extent of the amount of the
Department's payment on behalf of the recipient patient. Any attorney retained by the
recipient patient shall be compensated for his services in accordance with the following
schedule and in the following order of priority from any amount of such third party
benefits obtained on behalf of the recipient by settlement, with judgment against, or
otherwise from a third party:

(1) First to the payment of any court costs taxed by the judgment;

(2) Second to the payment of the fee of the attorney representing the
beneficiary making the settlement or obtaining the judgment, but this

1 fee shall not exceed one-third of the amount obtained or recovered to
2 which the right of subrogation applies;

3 (3) Third to the payment of the amount of assistance received by the
4 beneficiary as prorated with other claims against the amount obtained
5 or received from the third party to which the right of subrogation
6 applies, but the amount shall not exceed one-third of the amount
7 obtained or recovered to which the right of subrogation applies; and

8 (4) Fourth to the payment of any amount remaining to the beneficiary or
9 his personal representative.

10 The United States and the State of North Carolina shall be entitled to shares in each
11 net recovery under this section. Their shares shall be promptly paid under this section
12 and their proportionate parts of such sum shall be determined in accordance with the
13 matching formulas in use during the period for which assistance was paid to the
14 recipient.

15 (b) The Department shall establish a third party resources collection unit that is
16 adequate to ensure collection of third party resources.

17 (c) The Commission may adopt rules necessary to implement this section."

18 Sec. 2. This act shall become effective October 1, 1989.