

SCS SB 1215 -- SUBROGATION RIGHTS OF PUBLIC ENTITIES

SPONSOR: Griesheimer (Dixon)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Financial Services by a vote of 20 to 0.

This substitute grants public entities that self-insure for their health care benefits the right to subrogation in the same manner, with the same rights, obligations, and available remedies, that the Department of Social Services has with the Medicaid Program.

FISCAL NOTE: Estimated Income on General Revenue Fund of Unknown in FY 2005, FY 2006, and FY 2007. May exceed \$100,000 annually. Estimated Income on Other State Funds of Unknown in FY 2005, FY 2006, and FY 2007. May exceed \$100,000 annually.

PROPOSERS: Supporters say that public entities should be allowed subrogation rights to collect money from the people responsible for injuries. For example, the City of Springfield's public utilities paid \$34.7 million in health care benefits last year, and approximately 2% were actually caused by third parties who were legally responsible for the medical bills. Approximately 4% of the Springfield R-12 School District's claims could have been subrogated last year. Public entities should be allowed to pursue these damages from third parties. This is already the law for Medicare, Medicaid, and worker's compensation claims.

Testifying for the bill was Representative Dixon for Senator Griesheimer.

OPPOSERS: There was no opposition voiced to the committee.

Richard Smreker, Senior Legislative Analyst