

March 23, 2005

S 893. STATE HEALTH PLAN SUBROGATION. *PERTAINING TO SUBROGATION RIGHTS OF THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.*

Rewrites GS 135-40.13A to (1) provide that the Teachers' and State Employees' Comprehensive Major Medical Plan has right of subrogation on all of a plan member's right to recover from a liable third party for plan payments, to the extent the payments are related to an injury caused by a liable third party; (2) specify that the recovery limitation for hospital and medical expenses applicable to a deceased's estate does not apply to this subrogation right; and (3) allow the plan to reduce the amount of its lien for expenses paid by the plan, based on relevant equitable considerations.

Makes conforming amendment to GS 28A-18-2. Applies to actions to exercise rights of recovery commenced on and after act becomes law.

Intro. by Rand.

Ref. to Judiciary I

GS 28A, 135

May 3, 2005

S 893. STATE HEALTH PLAN SUBROGATION. Intro. 4/25/05. Senate committee substitute makes the following changes to 1st edition. Replaces provision authorizing the Teachers' and State Employees' Comprehensive Major Medical Plan to reduce its lien for expenses, including its share of collection costs, with provision limiting Plan's lien to 50% of the total damages recovered by the Plan member, not including Plan member's collection costs as determined by Plan. Plan's determination of the reasonable costs of collection is conclusive and is not a "final agency decision" subject to challenge under the contested case provisions of GS Chapter 150B, Article 3. Establishes a presumption that any Plan member represented by an attorney has notice of the Plan's lien or right to recovery and requires that the attorney disburse proceeds in accordance with section. Makes amendment to GS 28A-18-2(b), providing that wrongful death medical expense recovery limitations are inapplicable to subrogation rights, applicable to wrongful deaths occurring on or after date act becomes law.