



Ohio Revised Code

Section 3903.421 Medicaid health insuring corporation bond and securities.

Effective: September 29, 2005

Legislation: House Bill 66 - 126th General Assembly

(A) Notwithstanding section 3903.42 of the Revised Code, both of the following apply to medicaid health insuring corporation performance bonds and securities:

(1) Proceeds from the bond issued or securities held pursuant to section 1751.271 of the Revised Code that have been paid to or deposited with the department of insurance shall be considered special deposits for purposes of satisfying claims of contracted providers for covered health care services provided to medicaid recipients;

(2) Contracted providers that have claims against a health insuring corporation for covered health care services provided to medicaid recipients shall be given first priority against the proceeds of the bond or securities held pursuant to section 1751.27 of the Revised Code, to the exclusion of other creditors, except as provided for in this section.

(B) If the amount of the proceeds of the bond or securities are not sufficient to satisfy all of the allowed claims of contracted providers for covered health care services provided to medicaid recipients, payment shall proceed as follows:

(1) Contracted providers shall share in the proceeds of the bond or securities pro rata based on the allowed amount of the providers' claims against the health insuring corporation for covered health care services provided to medicaid recipients;

(2) After payments are made under division (B)(1) of this section, the net unpaid balance of the claims of contracted providers shall be allowed for payment from the general assets of the estate in accordance with the priorities set forth in section 3903.42 of the Revised Code.

(C) If the amount of the proceeds of the bond or securities exceeds the allowed claims of contracted providers for covered health care services provided to medicaid recipients, the excess amount shall be considered a general asset of the health insuring corporation's estate to be distributed to other



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claimants in accordance with the priorities set forth in section 3903.42 of the Revised Code.