

SENATE CONCURRENT RESOLUTION NO. 4008

Introduced by

Senator G. Nelson

Representative Dorso

1 A concurrent resolution urging Congress and the Clinton Administration to recognize state
2 interests and enact legislation that would prohibit the federal Department of Health and Human
3 Services from recouping the tobacco settlement funds as third-party recoveries under Medicaid
4 law.

5 **WHEREAS**, in November 1998, 46 states agreed to a historic settlement with the
6 tobacco industry, which ended a four-year battle with the industry over treatment costs states
7 have incurred for smoking-related illnesses; and

8 **WHEREAS**, the 46 states could receive up to \$196 billion over a 25-year period,
9 including disbursements totaling over \$717 million to the state of North Dakota; and

10 **WHEREAS**, the Master Settlement Agreement does not restrict or earmark the
11 settlement, therefore the general belief is that the funds may be appropriated according to state
12 law; and

13 **WHEREAS**, the decision for states now is how to best use the money; and

14 **WHEREAS**, the federal Department of Health and Human Services contends that
15 existing Medicaid law (Section 1903(d) of the Social Security Act) compels it to recover its
16 share of third-party payments, collected by states on behalf of Medicaid clients, and argues
17 further that state tobacco settlement funds are third-party recoveries under the provisions of the
18 Medicaid statute;

19 **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE**
20 **HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

21 That the Fifty-sixth Legislative Assembly urges the Congress of the United States and
22 the Clinton Administration to recognize state interests and enact legislation that would prohibit
23 the federal Department of Health and Human Services from recouping the tobacco settlement
24 funds as third-party recoveries under Medicaid law.

- 1 **BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this
- 2 resolution to the Secretary of the Department of Health and Human Services and to each
- 3 member of the North Dakota Congressional Delegation.