

AMENDMENTS TO LB 541

(Amendments to Final Reading copy)

Introduced by Campbell

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 68-901, Revised Statutes Supplement,
4 2011, is amended to read:

5 68-901 Sections 68-901 to 68-971 and sections 2 and 3 of
6 this act shall be known and may be cited as the Medical Assistance
7 Act.

8 Sec. 2. The Legislature finds that the medical assistance
9 program would benefit from increased efforts to (1) prevent
10 improper payments to service providers, including, but not
11 limited to, enforcement of eligibility criteria for recipients
12 of benefits, enforcement of enrollment criteria for providers of
13 benefits, determination of third-party liability for benefits,
14 review of claims for benefits prior to payment, and identification
15 of the extent and cause of improper payment, (2) identify
16 and recoup improper payments, including, but not limited to,
17 identification and investigation of questionable payments for
18 benefits, administrative recoupment of payments for benefits, and
19 referral of cases of fraud to the state medicaid fraud control
20 unit for prosecution, and (3) collect postpayment reimbursement,
21 including, but not limited to, maximizing prescribed drug rebates
22 and maximizing recoveries from estates for paid benefits.

1 Sec. 3. (1) The department shall contract with one or
2 more recovery audit contractors to promote the integrity of the
3 medical assistance program and to assist with cost-containment
4 efforts and recovery audits. The contract or contracts shall
5 include services for (a) cost-avoidance through identification of
6 third-party liability, (b) cost recovery of third-party liability
7 through postpayment reimbursement, (c) casualty recovery of
8 payments by identifying and recovering costs for claims that
9 were the result of an accident or neglect and payable by a
10 casualty insurer, and (d) reviews of claims submitted by providers
11 of services or other individuals furnishing items and services
12 for which payment has been made to determine whether providers
13 have been underpaid or overpaid and take actions to recover any
14 overpayments identified.

15 (2) The department shall contract with one or more
16 persons to support a health insurance premium assistance payment
17 program.

18 (3) The department may enter into any other contracts
19 deemed to increase the efforts to promote the integrity of the
20 medical assistance program.

21 (4) Contracts entered into under the authority of this
22 section may be on a contingent fee basis. Contracts entered into on
23 a contingent fee basis shall provide that contingent fee payments
24 are based upon amounts recovered, not amounts identified, and that
25 contingent fee payments are not to be paid on amounts subsequently
26 repaid due to determinations made in appeal proceedings. Contracts
27 shall be in compliance with federal law and regulations when

1 pertinent, including a limit on contingent fees of no more than
2 twelve and one-half percent of amounts recovered, and initial
3 contracts shall be entered into as soon as practicable under such
4 federal law and regulations.

5 (5) All amounts recovered and savings generated as a
6 result of this section shall be returned to the medical assistance
7 program.

8 (6) The department shall by December 1, 2012, report to
9 the Legislature the status of the contracts, including the parties,
10 the programs and issues addressed, the estimated cost recovery, and
11 the savings accrued as a result of the contracts.

12 (7) For purposes of this section:

13 (a) Person means bodies politic and corporate,
14 societies, communities, the public generally, individuals,
15 partnerships, limited liability companies, joint-stock companies,
16 and associations; and

17 (b) Recovery audit contractor means private entities
18 with which the department contracts to audit claims for medical
19 assistance, identify underpayments and overpayments, and recoup
20 overpayments.

21 Sec. 4. Original section 68-901, Revised Statutes
22 Supplement, 2011, is repealed.

23 Sec. 5. Since an emergency exists, this act takes effect
24 when passed and approved according to law.

25 2. On page 1, line 2, strike "Cumulative Supplement,
26 2010" and insert "Supplement, 2011".