

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 892
FINAL READING

Introduced by Executive Board: Coordsen, 32, Chairperson

Read first time January 5, 2000

Committee: Placed on General File

A BILL

1 FOR AN ACT relating to the Managed Care Plan Act; to amend sections
2 68-1048, 68-1050, 68-1051, 68-1056, and 68-1064, Reissue
3 Revised Statutes of Nebraska; to delete references to the
4 Managed Care Commission that ceased to exist April 1,
5 1997; to harmonize provisions; to repeal the original
6 sections; and to outright repeal sections 68-1052,
7 68-1053, 68-1054, 68-1055, 68-1065, and 68-1066, Reissue
8 Revised Statutes of Nebraska.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-1048, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 68-1048. Sections 68-1048 to ~~68-1066~~ 68-1064 shall be
4 known and may be cited as the Managed Care Plan Act.

5 Sec. 2. Section 68-1050, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 68-1050. For purposes of the Managed Care Plan Act:

8 (1) ~~Commission shall mean the Managed Care Commission~~
9 ~~established by section 68-1052;~~

10 ~~(2)~~ Consumer protection system shall mean a system which
11 includes:

12 (a) Ensuring consumer protection from provider's
13 financial conflicts of interest in managed care arrangements;

14 (b) Accommodation of consumer choice in the selection of
15 providers within the scope of efficient care management standards;

16 (c) Allowance for the designation of appropriate
17 specialists as primary care providers for individuals with chronic
18 conditions requiring specialty care;

19 (d) Ensuring the confidentiality of consumer records; and

20 (e) Provision for access to an ombudsman from whom
21 recipients may receive assistance in the enforcement of the
22 protections provided by the act and inclusion of a hearing process
23 to resolve recipient appeals of organized decisions;

24 ~~(3)~~ (2) Department shall mean the Department of Health
25 and Human Services Regulation and Licensure;

26 ~~(4)~~ (3) Director shall mean the Director of Regulation
27 and Licensure;

28 ~~(5)~~ (4) Disproportionate-share hospital shall mean a

1 hospital which, because of geographic location or for other
2 reasons, serves a larger number of program recipients and other
3 low-income individuals than other hospitals;

4 ~~(6)~~ (5) Managed care system shall mean a system for
5 providing health care services which integrates both the delivery
6 and the financing of health care services in an attempt to provide
7 access to medical services while containing the cost and use of
8 medical care;

9 ~~(7)~~ (6) Participating provider shall mean a health care
10 provider that provides or arranges for medical assistance services
11 to program recipients directly or indirectly under a managed care
12 system;

13 ~~(8)~~ (7) Plan shall mean the plan for implementing a
14 managed care system required by sections 68-1056 to 68-1061;

15 ~~(9)~~ (8) Program shall mean the medical assistance program
16 established by sections 68-1018 to 68-1025;

17 ~~(10)~~ (9) Program recipient shall mean any person eligible
18 for or receiving benefits under the program; and

19 ~~(11)~~ (10) Quality protection system shall mean a system
20 which includes:

21 (a) Provision for utilization review and appeals to be
22 conducted by similarly trained and licensed providers;

23 (b) Full access by recipients and providers to criteria
24 for health care management and clinical practices used in
25 evaluating care plans;

26 (c) Requirements for internal and external quality
27 assurance, including measures for performance-based outcomes;

28 (d) Ensuring a substantial effort by managed care

1 organizations to include existing specialty providers when
2 establishing plans; and

3 (e) Creation of appropriate financial risks and
4 incentives for providers that are consistent with standards for
5 performance-based quality of care.

6 Sec. 3. Section 68-1051, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 68-1051. The department ~~with the assistance of the~~
9 ~~commission~~ shall develop a plan to implement a managed care system
10 as required by sections 68-1056 to 68-1061. ~~Such plan shall be~~
11 ~~submitted by the department to the commission by October 17, 1993.~~
12 ~~The commission shall review the plan and make recommendations to~~
13 ~~the Governor and the Legislature by December 17, 1993.~~ The managed
14 care system shall incorporate risk-sharing mechanisms, create
15 incentives for the efficient delivery of health care services, and
16 recognize the special needs of disproportionate-share hospitals.

17 Sec. 4. Section 68-1056, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 68-1056. (1) The plan shall specify a structure for the
20 managed care system which will provide program recipients with
21 access to comprehensive and coordinated health care delivered in a
22 cost-effective and efficient manner in accordance with applicable
23 federal laws and regulations, the types of medical assistance which
24 may be provided under the managed care system, and the steps for
25 implementing such system and shall contain a timetable to ensure
26 that such system is implemented in Nebraska no later than July 1,
27 1995, subject to sections 68-1062 and 68-1063.

28 (2) To the extent deemed feasible and appropriate, the

1 managed care system recommended in the plan shall:

2 (a) Establish a primary care case management system;

3 (b) Promote access to and continuity of health care for
4 program recipients;

5 (c) Prevent unnecessary utilization of health care
6 services by program recipients;

7 (d) Educate program recipients on preventive health care
8 and good health habits;

9 (e) Provide sufficient flexibility to enable the managed
10 care system to be tailored to meet the individual health care needs
11 of program recipients;

12 (f) Provide reasonable and adequate payment for health
13 care providers participating in such system;

14 (g) Ensure that disproportionate-share-payment
15 adjustments, as specified in section 1923 of the Social Security
16 Act, are made to disproportionate-share hospitals participating in
17 such system, regardless of whether such payments are received from
18 the state directly or from the system and that such
19 disproportionate-share-payment adjustments are made directly to
20 disproportionate-share hospitals;

21 (h) Provide that managed care medicaid days are counted
22 for purposes of determining a hospital's status as a
23 disproportionate-share hospital;

24 (i) Consider the special circumstances of university
25 medical centers and teaching hospitals which have higher costs of
26 medical education programs than private hospitals;

27 (j) Specify the program recipients who will be eligible
28 to participate in such system;

1 (k) Allow for copayments and deductibles for program
2 recipients in the managed care system; and

3 (l) Include a quality protection system and consumer
4 protection system for program recipients.

5 (3) In deciding which program recipients will be eligible
6 to participate in the managed care system, the department ~~and the~~
7 ~~commission~~ shall consider whether certain program recipients should
8 be excluded from participation in such system if such program
9 recipients have disabilities, chronic infirmities, or other special
10 health care needs which may be more appropriately met outside such
11 system.

12 Sec. 5. Section 68-1064, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 68-1064. ~~The managed care system implemented under the~~
15 ~~Managed Care Plan Act shall be annually evaluated by the commission~~
16 ~~as to the health care outcomes and cost-effectiveness.~~ The
17 department shall annually submit a report to the Legislature ~~and~~
18 ~~the commission~~ on the health care outcomes and cost-effectiveness
19 of ~~such system~~ the managed care system implemented under the
20 Managed Care Plan Act.

21 Sec. 6. Original sections 68-1048, 68-1050, 68-1051,
22 68-1056, and 68-1064, Reissue Revised Statutes of Nebraska, are
23 repealed.

24 Sec. 7. The following sections are outright repealed:
25 Sections 68-1052, 68-1053, 68-1054, 68-1055, 68-1065, and 68-1066,
26 Reissue Revised Statutes of Nebraska.