

LEGISLATURE OF NEBRASKA  
NINETY-SEVENTH LEGISLATURE  
SECOND SPECIAL SESSION

**LEGISLATIVE BILL 27**

Introduced by Jensen, 20

Read first time July 31, 2002

Committee: Health and Human Services

A BILL

1 FOR AN ACT relating to medical assistance; to amend sections  
2 68-1019 and 68-1019.02, Revised Statutes Supplement,  
3 2000; to restrict dental services for individuals  
4 twenty-one years of age and older as prescribed; to  
5 harmonize provisions; and to repeal the original  
6 sections.  
7 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 68-1019, Revised Statutes Supplement,  
2 2000, is amended to read:

3           68-1019. (1) Medical assistance on behalf of recipients  
4 shall be paid directly to vendors.

5           (2) On behalf of recipients over sixty-five years of age,  
6 medical assistance shall include care in an institution for mental  
7 diseases.

8           (3) On behalf of all recipients, medical assistance shall  
9 include:

10           (a) Inpatient and outpatient hospital care;

11           (b) Laboratory and X-ray services;

12           (c) Nursing home services;

13           (d) Care home services;

14           (e) Home health care services;

15           (f) Nursing services;

16           (g) Clinic services;

17           (h) Services of practitioners licensed by the Department  
18 of Health and Human Services Regulation and Licensure, excluding  
19 dental services provided to individuals twenty-one years of age and  
20 older, except for emergency care; and

21           (i) Such drugs, appliances, and health aids as may be  
22 prescribed by practitioners licensed by the Department of Health  
23 and Human Services Regulation and Licensure, excluding those drugs,  
24 appliances, and health aids prescribed by dental practitioners,  
25 except as needed for emergency care.

26           (4) The Director of Finance and Support may adopt a  
27 schedule of premiums, copayments, and deductibles for goods and  
28 services provided under the medical assistance program as may be

1 allowed by Title XIX or Title XXI of the federal Social Security  
2 Act, as amended as of September 1, 1998. The system of copayments  
3 and deductibles in the schedule shall discourage abuse of high-cost  
4 services and encourage the utilization of cost-effective services.  
5 Prior to the adoption of the schedule of copayments and  
6 deductibles, the director shall provide a report to the Governor  
7 and the Legislature outlining proposed copayments and deductibles.  
8 The report shall collect and summarize available data from other  
9 states concerning their experience with copayments and deductibles,  
10 determine if vendors may be reimbursed for copayments and  
11 deductibles resulting from a recipient's inability to pay, evaluate  
12 the collectability of copayments and deductibles, and assess the  
13 effect of copayments and deductibles on recipients, vendors, access  
14 to and availability of care, and utilization of affected medical  
15 assistance program services. The report shall include data from  
16 Nebraska as it becomes available. The report shall also provide  
17 information as to other cost-containment mechanisms which have been  
18 implemented or proposed by the Department of Health and Human  
19 Services Finance and Support for the fiscal year. If the director  
20 is proposing to adopt a schedule, the report shall be provided to  
21 the Governor and the Legislature by December 1. No schedule of  
22 copayments and deductibles shall be put into effect until July 1  
23 following the report, except that for the first year the schedule  
24 shall be put into effect by April 1. If the director is proposing  
25 elimination or modification of an existing schedule of copayments  
26 and deductibles, a report on the proposed changes shall be provided  
27 to the Governor and the Legislature by December 1. The proposed  
28 modification or elimination of the schedule of copayments and

1 deductibles shall not take place prior to the July 1 following this  
2 report. A vendor shall be responsible for collecting any  
3 applicable copayment or deductible from the recipient.

4 (5) The Director of Finance and Support shall provide  
5 limits as to the amount, duration, and scope of services and goods  
6 recipients may receive under the medical assistance program. For  
7 purposes of providing limits as to the amount, duration, and scope  
8 of services and goods recipients may receive under the medical  
9 assistance program, the Department of Health and Human Services  
10 Finance and Support shall adopt and promulgate rules and  
11 regulations. The limits adopted shall in all respects comply with  
12 applicable provisions of Title XIX of the federal Social Security  
13 Act and the related federal regulations, as they may be amended  
14 from time to time. Prior to the adoption of such rules and  
15 regulations, the director shall provide a report to the Governor  
16 and the Legislature outlining proposed limits. Such report shall  
17 be provided to the Governor and the Legislature by December 1. No  
18 rules or regulations to implement such limits shall be put into  
19 effect until April 1 following the report.

20 (6) No vendor shall advertise or promote through  
21 newspapers, magazines, circulars, direct mail, directories, radio,  
22 television, or otherwise that such vendor will waive the collection  
23 of all or any portion of any copayment or deductible established  
24 pursuant to subsection (4) of this section.

25 Sec. 2. Section 68-1019.02, Revised Statutes Supplement,  
26 2000, is amended to read:

27 68-1019.02. The Department of Health and Human Services  
28 Finance and Support may initiate the following limits as to amount,

1 duration, and scope of services or goods recipients may receive  
2 under the medical assistance program:

3 (1) Chiropractic services for all eligible groups: Limit  
4 the number of manual manipulations to eighteen treatments in a  
5 five-month period and limit coverage of stabilization of care to  
6 one visit per month;

7 (2) Podiatric services for all eligible groups: Reduce  
8 payment by twelve percent for certain surgical procedures if done  
9 in a hospital outpatient setting rather than in the office of a  
10 podiatrist;

11 (3) Occupational therapy, physical therapy, and speech,  
12 hearing, and language therapy for adults: Limit coverage of therapy  
13 provided by home health agencies and emphasize an increase in  
14 independent therapy by these health care providers;

15 (4) Limit amount of payments for ventilator-dependent  
16 recipients to the cost of care of average institutional costs and  
17 limit other in-home nursing costs to the highest case-mix level per  
18 diem for nursing facilities;

19 ~~(5) Dental services for adults: Eliminate coverage of~~  
20 ~~cast partial dentures and eliminate coverage of partial dentures~~  
21 ~~except to replace front teeth;~~

22 ~~(6)~~ Visual care: All routine eye exams to be billed at  
23 the intermediate level of care, set maximum payment levels for  
24 eyeglass lenses rather than pay laboratory invoice costs, establish  
25 medical necessity criteria for eyeglass tints and UV coating, and  
26 establish a selection of frame styles coverable;

27 (6) ~~(7)~~ Durable medical equipment: Reduce payment levels  
28 for equipment and supplies, simplify policies and procedures for

1 converting durable medical equipment rental to purchase, and  
2 eliminate future coverage of external powered prosthetic devices;

3 (7) ~~(8)~~ Hearing aids: Reduce hearing aid dispensing fees;

4 (8) ~~(9)~~ Further expand the mandate to use bioequivalent  
5 generic drugs;

6 (9) ~~(10)~~ Transportation services: Eliminate  
7 transportation to non-medicaid-coverable services except for  
8 transportation to adult day services as defined in section 71-404;  
9 reimbursements and lodging when provided through a hospital shall  
10 be included as a medical transportation service under the medical  
11 assistance program; and set taxi reimbursement at seventy-five  
12 percent of customary charge; and

13 (10) ~~(11)~~ Eliminate coverage of mileage and conference  
14 fees for home-based service providers providing outpatient  
15 psychiatric services for adults.

16 Sec. 3. Original sections 68-1019 and 68-1019.02,  
17 Revised Statutes Supplement, 2000, are repealed.