

ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011
COMMITTEE STATEMENT
LB541

Hearing Date: Wednesday February 09, 2011
Committee On: Health and Human Services
Introducer: Health and Human Services
One Liner: Provide for third-party contracts to promote medicaid integrity and cost containment

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:
Aye: 7 Senators Bloomfield, Campbell, Cook, Gloor, Howard, Krist, Wallman
Nay:
Absent:
Present Not Voting:

Proponents: Michelle Chaffee Mick Mines	Representing: Legal Counsel to the Health and Human Services Committee National Association of Financial Insurance Advisors - Nebraska
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Opponents:	Representing:
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Neutral:	Representing:
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Summary of purpose and/or changes:

LB 541 states the Legislature finds Nebraska Medicaid would benefit from increased efforts to prevent improper payments by enforcing the eligibility criteria for recipients, enrollment criteria for providers, determining third party liability for benefits, review of claims prior to payment and identification of the extent and cause of improper payment. Medicaid would also benefit from efforts made to identify and recoup improper payments and collecting post payment reimbursement.

The bill requires the department to contract with one or more recovery audit contractors to promote the integrity of Medicaid and assist with cost containment. The contracts will include services for cost-avoidance, cost-recovery, and casualty recovery of payments through identification of third-party liability. Contractor will review claims submitted by providers of services, or other individuals furnishing items and services for which payment has been made, to determine whether the provider has been underpaid or overpaid and take action to recover any over payments identified. Also, the department shall contract to support a health insurance premium assistance payment program. Finally, LB 541 allows the department to enter into any other contracts deemed to increase the efforts to promote the integrity of the medical assistance program.

The contracts entered into under the authority of this section may be on a contingent fee basis. Contingent fee payments are based upon amounts recovered not amount identified. Initial contracts will be entered into on or before July 1, 2011.

LB 541 requires the department to report to the Legislature the status of the contracts by December 1, 2011.

Kathy Campbell, Chairperson