

LEGISLATIVE BILL 1011

Approved by the Governor April 07, 2016

Introduced by Campbell, 25.

A BILL FOR AN ACT relating to the Nebraska Behavioral Health Services Act; to amend section 71-831, Revised Statutes Cumulative Supplement, 2014; to change and eliminate provisions relating to contracts and agreements relating to the medical assistance program governing at-risk managed care service delivery for behavioral health services; to harmonize provisions; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 71-831, Revised Statutes Cumulative Supplement, 2014, is amended to read:

71-831 All contracts and agreements relating to the medical assistance program governing at-risk managed care service delivery for behavioral health services entered into by the department on or after the effective date of this act July 1, 2012, shall:

(1) Provide a definition and cap on administrative spending such that (a) shall not exceed seven percent unless the implementing department includes detailed requirements for tracking administrative spending to ensure (i) that administrative expenditures do not include additional profit greater than the contracted amount, (b) and (ii) that any administrative spending is necessary to improve the health status of the population to be served, and (c) administrative expenditures do not include contractor incentives. Administrative spending shall not under any circumstances exceed twelve percent. Such spending shall be tracked by the contractor and reported to the department quarterly (b) shall not under any circumstances exceed ten percent;

(2) Provide a definition of annual contractor profits and losses and restrict such profits and losses under the contract so that (a) profit shall not exceed a percentage specified by the department but not more than three percent per year and (b) losses shall not exceed three percent per year, as a percentage of the aggregate of all income and revenue earned by the contractor and related parties, including parent and subsidy companies and risk-bearing partners, under the contract;

(3) Provide for reinvestment of (a) any remittance if the contractor does not meet the minimum medical loss ratio profits in excess of the contracted amount, (b) performance contingencies imposed by the department, and (c) any unearned incentive funds, to fund additional behavioral health services for children, families, and adults according to a plan developed with input from stakeholders, including consumers and their family members, the office of consumer affairs within the division, and the regional behavioral health authority and approved by the department. Such plan shall address the behavioral health needs of adults and children, including filling service gaps and providing system improvements;

(4) Provide for a minimum medical loss ratio of eighty-five percent of the aggregate of all income and revenue earned by the contractor and related parties under the contract;

(5) Provide that contractor incentives, in addition to potential profit, be up to two at least one and one-half percent of the aggregate of all income and revenue earned by the contractor and related parties under the contract; and

(6) Provide that a minimum of one-quarter percent of the aggregate of all income and revenue earned by the contractor and related parties under the contract be at risk as a penalty if the contractor fails to meet the minimum performance metrics defined in the contract, and such penalties, if charged, shall be accounted for in a manner that shall not reduce or diminish service delivery in any way; and

(6 7) Be reviewed and awarded competitively and in full compliance with the procurement requirements of the State of Nebraska.

Sec. 2. Original section 71-831, Revised Statutes Cumulative Supplement, 2014, is repealed.