

LEGISLATIVE BILL 1158

Approved by the Governor August 10, 2020

Introduced by Arch, 14.

A BILL FOR AN ACT relating to social services; to amend sections 71-801 and 71-831, Reissue Revised Statutes of Nebraska, and section 68-901, Revised Statutes Supplement, 2019; to change provisions regarding contracts and agreements relating to the medical assistance program; to create a fund; to provide duties regarding job-skills programs for applicants for medical assistance; to transfer provisions; to harmonize provisions; to repeal the original sections; and to declare an emergency.
Be it enacted by the people of the State of Nebraska,

Section 1. Section 68-901, Revised Statutes Supplement, 2019, is amended to read:

68-901 Sections 68-901 to 68-994 and sections 2 to 4 of this act shall be known and may be cited as the Medical Assistance Act.

Sec. 2. Section 71-831, Reissue Revised Statutes of Nebraska, 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 and existing on or after the effective date of this act ~~July 21, 2016~~, shall:

(1) Provide a definition and cap on administrative spending such that (a) administrative expenditures do not include profit greater than the contracted amount, (b) 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 to the department and electronically to the Clerk of the Legislature;~~

(2) Provide a definition of annual contractor profits and losses and restrict such profits and losses under the contract so that profit shall not exceed a percentage specified by the department but not more than 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 subsidiary companies and risk-bearing partners, under the contract;

(3) Provide for return reinvestment of (a) any remittance if the contractor does not meet the minimum medical loss ratio, (b) ~~performance contingencies imposed by the department,~~ and (c) any unearned incentive funds, and (c) any other funds in excess of the contractor limitations identified in state or federal statute or contract to the State Treasurer for credit to the Medicaid Managed Care Excess Profit Fund to fund additional health services for children, families, and adults according to a plan developed with input from stakeholders and approved by the department. Such plan shall address the 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 percent of the aggregate of all income and revenue earned by the contractor and related parties under the contract; and

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

Sec. 3. The Medicaid Managed Care Excess Profit Fund is created. The fund shall contain money returned to the State Treasurer pursuant to subdivision (3) of section 2 of this act. The fund shall first be used to offset any losses under subdivision (2) of section 2 of this act and then to provide for services addressing the health needs of adults and children under the Medical Assistance Act, including filling service gaps, providing system improvements, and sustaining access to care as determined by the Legislature. The fund shall only be used for the purposes described in this section. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 4. (1) Beginning October 1, 2020, the Department of Health and Human Services shall inform each adult applicant for medical assistance about job-skills programs within the Department of Health and Human Services, the Department of Labor, or other skill-based programs that could assist the applicant for medical assistance in obtaining job skills or training, employment, higher-paying jobs, or related skills. The Department of Health and Human Services shall connect interested applicants to such job-skills programs. The job-skills programs may be utilized on a voluntary basis by applicants for medical assistance or recipients of medical assistance. The job-skills programs do not affect the receipt of services provided under the Medical Assistance Act.

(2) Beginning February 1, 2021, and within thirty days of the expiration of each subsequent calendar quarter within the years 2021 and 2022, the Department of Health and Human Services shall report electronically to the Clerk of the Legislature on the total number of applicants for medical assistance who were referred to job-skills programs under this section and any job-skills services received as a result of this section by applicants for medical assistance.

(3) Beginning January 1, 2021, through December 31, 2022, the Department of Labor shall report quarterly to the Department of Health and Human Services the number of applicants for medical assistance who were referred to job-skills programs under this section, the number of applicants for medical assistance who received help obtaining job skills or training, employment, higher-paying jobs, or related skills under this section, and the types of job-skills services received as a result of this section.

(4) The Department of Health and Human Services and the Department of Labor shall administer this section.

Sec. 5. Section 71-801, Reissue Revised Statutes of Nebraska, is amended to read:

71-801 Sections 71-801 to 71-830 ~~71-831~~ shall be known and may be cited as the Nebraska Behavioral Health Services Act.

Sec. 6. Original sections 71-801 and 71-831, Reissue Revised Statutes of Nebraska, and section 68-901, Revised Statutes Supplement, 2019, are repealed.

Sec. 7. Since an emergency exists, this act takes effect when passed and approved according to law.