

E AND R AMENDMENTS TO LB 527

Introduced by Guereca, 7, Chairman Enrollment and Review

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           **Section 1.** Sections 1 to 7 of this act shall be known and may be  
4 cited as the Medicaid Access and Quality Act.

5           **Sec. 2.** The Legislature finds and declares that:

6           (1) Wide discrepancies between medicaid reimbursement rates and  
7 rates of other payers have created challenges to health care access for  
8 Nebraska residents covered by medicaid;

9           (2) Approximately one-third of pregnant women, newborns, and  
10 children are covered by medicaid and access to health care services is  
11 critical for them. Access to labor and delivery services is critical to  
12 fostering healthy mothers and babies;

13           (3) Access to primary care is vital to the health of Nebraska  
14 communities. Investment in preventative care will help reduce future  
15 health care costs to the state and its residents. Improved health  
16 outcomes are more likely when patients have access to, and positive  
17 relationships with, their primary care provider;

18           (4) Health care access challenges in rural areas have reached a  
19 critical point, which requires bold investment and leadership from the  
20 state to maintain the health of our rural citizens and communities; and

21           (5) Investment in physical health care access and quality in the  
22 medicaid program is an investment in bolstering Nebraska's health care  
23 landscape as a whole, addressing health care deserts across the state,  
24 and improving the health and prosperity of Nebraska communities.

25           **Sec. 3.** For purposes of the Medicaid Access and Quality Act:

26           (1) Nonhospital provider means a provider of physical health  
27 services that does not hold a license as a hospital under the Health Care

1 Facility Licensure Act;

2 (2) Physical health services means services billed under the  
3 medicaid practitioner fee schedule to meet the physical health needs of a  
4 patient; and

5 (3) Rural means any county in Nebraska having a population of less  
6 than one hundred thousand residents.

7 **Sec. 4.** (1) No later than January 1, 2026, the Director of  
8 Insurance shall establish a schedule for the collection of a tax of six  
9 percent of the gross amount of non-medicare direct writing premiums  
10 written under a health maintenance organization certificate of authority  
11 pursuant to section 44-32,115, to the extent not preempted by federal  
12 law, during the preceding calendar year for business done in the state.  
13 The director shall remit the tax paid under this section to the State  
14 Treasurer. The State Treasurer shall annually credit the entirety of the  
15 tax remitted to the Medicaid Access and Quality Fund.

16 (2) No later than August 1, 2025, the Department of Health and Human  
17 Services shall amend the medicaid state plan or file other federal  
18 authorizing documents necessary to receive federal financial  
19 participation for the Medicaid Access and Quality Act.

20 (3) The tax established by this section shall be effective January  
21 1, 2026, and applies to premiums received the previous calendar year for  
22 all contractual obligations that remain in force by continuing  
23 obligation, renewal, or new issuance on or after January 1, 2026. The tax  
24 established by this section shall not apply to a premium received during  
25 calendar year 2025 that is attributable to an individual contract or  
26 policy held by an entity not offering that contract or policy in calendar  
27 year 2026.

28 **Sec. 5.** The Medicaid Access and Quality Fund is created. Interest  
29 earned on the fund shall be credited to the fund. Any money in the fund  
30 available for investment shall be invested by the state investment  
31 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska

1 State Funds Investment Act.

2 **Sec. 6.** The Department of Health and Human Services shall use the  
3 Medicaid Access and Quality Fund for the following purposes:

4 (1) Beginning January 1, 2026, forty million dollars annually shall  
5 be used to obtain federal financial participation for the purpose of  
6 enhancing rates paid to nonhospital providers of physical health  
7 services, as published in the medicaid practitioner fee schedule. This  
8 funding shall not be used to replace or offset existing state funds paid  
9 to providers for providing services under the medical assistance program:

10 (a) In calculating a rate enhancement under subdivision (1)(a) of  
11 this section, the department shall work with a statewide association  
12 exempt from taxation under section 501(c)(6) of the Internal Revenue Code  
13 of 1986 that primarily represents health care providers in multiple  
14 specialties who are licensed to practice medicine and surgery under the  
15 Uniform Credentialing Act; and

16 (b) It is the intent of the Legislature that a rate enhancement  
17 provided by subdivision (1) of this section should aim to improve access  
18 to care through increasing rates across a broad range of physical health  
19 services provided by nonhospital providers, with an emphasis on  
20 evaluation and management services, labor and delivery services, and  
21 rural services;

22 (2) Beginning no later than January 1, 2027, five million dollars  
23 annually shall be used to obtain federal financial participation to pay a  
24 monthly per-member fee of not less than seventy-five dollars to qualified  
25 primary care providers who meet criteria established by the Department of  
26 Health and Human Services to serve as a primary care medical home for  
27 target populations;

28 (3) Any remaining funds shall be transferred to the medical  
29 assistance program and the Children's Health Insurance Program; and

30 (4) Use of the funds described in this section are subject to all  
31 required federal approvals including any approvals necessary for the use

1 of the funds to obtain federal financial participation.

2 **Sec. 7.** It is the intent of the Legislature that the medicaid  
3 practitioner fee schedule rates and the General Fund appropriations for  
4 rates established in the fee schedule shall not be reduced in amounts  
5 lower than the rates published as of July 1, 2024.

6 **Sec. 8.** Section 44-32,180, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 44-32,180 (1) Any health maintenance organization subject to the  
9 Health Maintenance Organization Act shall also be subject to (a) the  
10 premium taxation provisions of Chapter 77, article 9, to the extent that  
11 the direct writing premiums are not otherwise subject to taxation under  
12 such article, ~~and~~ (b) the retaliatory taxation provisions of section  
13 44-150, and (c) the tax levied by section 4 of this act.

14 (2) Any capitation payment made in accordance with the Medical  
15 Assistance Act shall be excluded from computation of any tax obligation  
16 imposed by subsection (1) of this section.

17 **Sec. 9.** Section 44-4726, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 44-4726 ~~(1)~~—The same taxes provided for in section 44-32,180 shall  
20 be imposed upon each prepaid limited health service organization, and  
21 such organizations also shall be entitled to the same tax deductions,  
22 reductions, abatements, and credits that health maintenance organizations  
23 are entitled to receive.

24 ~~(2) Any capitation payment made in accordance with the Medical~~  
25 ~~Assistance Act shall be excluded from computation of any tax obligation~~  
26 ~~imposed by subsection (1) of this section.~~

27 **Sec. 10.** Section 77-908, Revised Statutes Cumulative Supplement,  
28 2024, is amended to read:

29 77-908 (1) Every insurance company organized under the stock,  
30 mutual, assessment, or reciprocal plan, except fraternal benefit  
31 societies, which is transacting business in this state shall, on or

1 before March 1 of each year, pay a tax to the director of one percent of  
2 the gross amount of direct writing premiums received by it during the  
3 preceding calendar year for business done in this state, except that (a)  
4 ~~(1)~~ for group sickness and accident insurance the rate of such tax shall  
5 be five-tenths of one percent, (b) and ~~(2)~~ for property and casualty  
6 insurance, excluding individual sickness and accident insurance, the rate  
7 of such tax shall be one percent, and (c) in addition to the tax paid  
8 under this section, for health maintenance organizations subject to the  
9 Health Maintenance Organization Act, the tax levied by section 4 of this  
10 act.

11 (2) A captive insurer authorized under the Captive Insurers Act that  
12 is transacting business in this state shall, on or before March 1 of each  
13 year, pay to the director a tax of one-fourth of one percent of the gross  
14 amount of direct writing premiums received by such insurer during the  
15 preceding calendar year for business transacted in the state.

16 (3) The taxable premiums shall include premiums paid on the lives of  
17 persons residing in this state and premiums paid for risks located in  
18 this state whether the insurance was written in this state or not,  
19 including that portion of a group premium paid which represents the  
20 premium for insurance on Nebraska residents or risks located in Nebraska  
21 included within the group when the number of lives in the group exceeds  
22 five hundred. The tax shall also apply to premiums received by domestic  
23 companies for insurance written on individuals residing outside this  
24 state or risks located outside this state if no comparable tax is paid by  
25 the direct writing domestic company to any other appropriate taxing  
26 authority. Companies whose scheme of operation contemplates the return of  
27 a portion of premiums to policyholders, without such policyholders being  
28 claimants under the terms of their policies, may deduct such return  
29 premiums or dividends from their gross premiums for the purpose of tax  
30 calculations. Any such insurance company shall receive a credit on the  
31 tax imposed, except the tax paid under subdivision (1)(c) of this

1 section, as provided in the Creating High Impact Economic Futures Act,  
2 the Nebraska Job Creation and Mainstreet Revitalization Act, the New  
3 Markets Job Growth Investment Act, the Nebraska Higher Blend Tax Credit  
4 Act, the Relocation Incentive Act, the Sustainable Aviation Fuel Tax  
5 Credit Act, the Nebraska Shortline Rail Modernization Act, and the  
6 Affordable Housing Tax Credit Act.

7 **Sec. 11.** Original sections 44-32,180 and 44-4726, Reissue Revised  
8 Statutes of Nebraska, and section 77-908, Revised Statutes Cumulative  
9 Supplement, 2024, are repealed.

10 **Sec. 12.** Since an emergency exists, this act takes effect when  
11 passed and approved according to law.

12 2. On page 1, strike beginning with "44-2702" in line 1 through line  
13 8 and insert "44-32,180 and 44-4726, Reissue Revised Statutes of  
14 Nebraska, and section 77-908, Revised Statutes Cumulative Supplement,  
15 2024; to adopt the Medicaid Access and Quality Act; to change provisions  
16 relating to taxes on health maintenance organizations, prepaid limited  
17 health service organizations, and insurance companies; to repeal the  
18 original sections; and to declare an emergency."