

ONE HUNDRED NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 427

Introduced by Riepe, 12.

PURPOSE: The purpose of this resolution is to propose an interim study to review the performance and policies of managed care organizations in the medical assistance program. Managed care organizations administer comprehensive health care services for a significant majority of Nebraska's medicaid beneficiaries, primarily low-income residents, children, seniors, and disabled individuals. Nebraska contracts with three managed care organizations to provide medical, behavioral health, long-term care, and related services under the medical assistance program. Health care providers, patient advocates, beneficiaries, and other stakeholders have raised concerns regarding the transparency, timeliness, and consistency of managed care organizations' processes and requirements that may affect access to medically necessary care.

The interim study shall include, but not be limited to, an examination of the following:

(1) Prior authorization processes. Review prior authorization requirements used by each managed care organization, including non-acute hospital admin day payments, criteria, documentation requirements, turn-around times, and appeal procedures;

(2) Coding and downcoding practices. Analyze denials or adjustments of claims based on coding decisions that may reduce provider reimbursement, increase administrative burden, or affect continuity of care, including (a) the use of artificial intelligence, (b) the reclassification of nonemergent emergency room reimbursement based on initial admission or the presenting complaint rather than the final discharge diagnosis, and (c) the frequency and basis for the reclassification of inpatient stays as observation stays when the patient stays at least two midnights; and

(3) Managed care structure and contracting. Evaluate the effectiveness of contracting with three separate managed care organizations, including competition, performance metrics, accountability, and cost outcomes.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED NINTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Health and Human Services Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.