

One Hundred Ninth Legislature - Second Session - 2026

Introducer's Statement of Intent

LB942

Chairperson: Senator Brian Hardin

Committee: Health and Human Services

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 942 addresses how Nebraska Medicaid reimburses hospitals for inpatient and emergency department services. The bill limits the ability of Managed Care Organizations (MCOs) to retroactively change how certain hospital categories of care are classified after care has been provided.

First, the bill prevents MCOs from reclassifying inpatient hospital stays as observation stays when the patient meets the two-midnight standard. This aligns Nebraska Medicaid policy with Medicare rules and clarifies that these stays should be reimbursed as inpatient care.

Second, LB 942 clarifies reimbursement for emergency department services by basing payment on the patient's condition at the time of evaluation. Emergency departments provide care based on presenting symptoms, not later determinations made after discharge. Current rules allow payment reductions if a visit is later labeled non-emergent. The bill clarifies that reimbursement should reflect the services provided, consistent with hospitals' federal obligations under EMTALA.

Overall, LB 942 provides clearer standards for Medicaid reimbursement of inpatient and emergency services and promotes consistency in payment practices.

Principal Introducer: _____

Senator Merv Riepe