LEGISLATIVE BILL 836

Introduced by Arch, 14.
Read first time January 08, 2020
Committee: Health and Human Services

A BILL FOR AN ACT relating to the Medical Assistance Act; to amend sections 71-801 and 71-831, Reissue Revised Statutes of Nebraska, and section 68-901, Revised Statutes Supplement, 2019; to change provisions governing certain contracts and agreements; 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 section 2 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 existing on or after July 21, 2020 entered into by the department on or after 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;

(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 the return to the department of (a) any remittance if the contractor does not meet the minimum loss ratio and (b) any unearned incentive funds. The funds shall be remitted to the State Treasurer for credit to the Nebraska Health Care Cash Fund. Any performance contingencies imposed by the department shall be reinvested by the contractor to fund additional health services;

(3) Provide for 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, 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. Section 71-801, Reissue Revised Statutes of Nebraska, is amended to read:

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

Sec. 4. Original sections 71-801 and 71-831, Reissue Revised Statutes of Nebraska, and section 68-901, Revised Statutes Supplement, 2019, are repealed.

Sec. 5. Since an emergency exists, this act takes effect when passed and approved according to law.