

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT
LB519

Hearing Date: Thursday February 05, 2009
Committee On: Health and Human Services
Introducer: McGill
One Liner: Provide for rate increases for behavioral health care providers and create the Provider Reimbursement Rate Commission

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye: 7 Senators Campbell, Gay, Gloor, Howard, Pankonin, Stuthman, Wallman
Nay:
Absent:
Present Not Voting:

Proponents:

David Buntain
Topher Hansen
Denis McCarville

Pat Connell
Tom McBride

Opponents:

Scot Adams

Neutral:

Representing:

Nebraska Medical Association
NABHO
Nebraska Association of Homes and Services for Children, Uta Halee Girls Village, Cooper Village
NBHC
Children and Family Coalition of Nebraska

Representing:

Department of Health and Human Services

Representing:

Summary of purpose and/or changes:

LB 519 relates to reimbursement for providers of publicly funded behavioral health services. The bill provides legislative intent and defines terms. The intent of LB 519 is to "provide the funding necessary for an annual rate increase, to be determined in accordance with the compounded change in the consumer price index during the twelve months preceding each annual rate increase, for behavioral health care services providers which contract to provide behavioral health care services under the medicaid program or other state-funded behavioral health programs." The bill requires reporting by the Department of Health and Human Services (department) and establishes an eleven-member Provider Reimbursement Rate Commission. Membership and duties of the commission are prescribed. The bill requires two annual reports by the Department of Health and Human Services (department). The first report must be filed with the Clerk of the Legislature by June 15, 2010, and by January 15 of each subsequent year. The second report must be filed no later than August 1 of each year. The first report must (1) summarize the state of behavioral health care services, (2) specify payment rates for each category of behavioral health care services reimbursed by the department, (3) specify current payment rates for services and a calculation of projected increases in rates for the coming fiscal year based on the increase in the average compounded consumer price index, and (4) identify the estimated amount of General Fund appropriations necessary to fully fund the projected increase, if enacted. The Clerk of the Legislature is required to deliver a copy of the report to the Appropriations Committee of the Legislature. The second report must identify the final payment rates to be used for the upcoming fiscal year for each category of behavioral health care services reimbursed

by the department. The final rates must be determined by "taking the provider reimbursement rates utilized during the preceding twelve months and calculating the average compounded consumer price index during the same time period to increase the provider rates, at a minimum, in an amount equal to the exact percentage of the average compounded consumer price index, plus any necessary market adjustments identified by the Provider Reimbursement Rate Commission." The department must report to the Clerk of the Legislature the exact amount of General Fund appropriations necessary to adequately and fully fund the final projected costs of reimbursement for behavioral health care services for the upcoming fiscal year. The Clerk of the Legislature must deliver a copy of the report to the Appropriations Committee of the Legislature.

LB 519 establishes the Provider Reimbursement Rate Commission (commission), consisting of (1) the Director of Medicaid and Long-Term Care, (2) the Director of Health and Human Services, who is the chairperson of the commission, and (3) the following persons appointed by the Director of Health and Human Services: (a) a provider of juvenile justice services, (b) a provider of child welfare services, (c) two providers of mental health services, addiction services, or integrated treatment in these areas, (d) a provider of developmental disabilities services, (e) a representative of the Office of Juvenile Services who has expertise in juvenile justice, (f) a representative of the Division of Children and Family Services of the Department of Health and Human Services who has expertise in child welfare services, (g) a representative of the Division of Behavioral Health of the department who has expertise in mental health and addiction services, and (h) a representative of the administrative services organization responsible for authorizing treatment services in Nebraska. Members are appointed for staggered four-year terms. Members may be reimbursed for their actual and necessary expenses. The department is required to provide administrative support for the commission. Duties for the commission are provided. The bill requires the commission to (1) develop a method for determining necessary market adjustments for behavioral health care services provider reimbursement (considerations in developing such method are prescribed), (2) review and report to the Legislature necessary market adjustments above and beyond the consumer price index for reimbursement provided for each level of behavioral health care services, (3) conduct a survey of behavioral health care services providers' costs of delivering services for each level of care, (4) review the reimbursements provided for behavioral health care services and identify the difference, if any, between the cost of health care and the reimbursement rate, and (5) make recommendations for future rate adjustments to the Governor, the Legislature, and the department. The bill does not require the Legislature to appropriate funds for recommended increases. The commission is required to complete an initial review of the status of behavioral health care reimbursement rates and the cost of behavioral health care services provided during FY2009-10, and identify the necessary market adjustments for reimbursement rates above and beyond the consumer price index. The initial report must be submitted to the Legislature, the department, and the Governor by July 1, 2010.

The bill contains an emergency clause.

Tim Gay, Chairperson