

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 662

Introduced by Cook, 13.

Read first time January 19, 2011

Committee: Health and Human Services

A BILL

1 FOR AN ACT relating to the Medical Assistance Act; to amend section
2 68-901, Revised Statutes Cumulative Supplement, 2010; to
3 provide for a demonstration program regarding bundled
4 payments; to provide duties for the Department of Health
5 and Human Services; to harmonize provisions; to repeal
6 the original section; and to declare an emergency.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-901, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 68-901 Sections 68-901 to 68-969 and section 2 of this
4 act shall be known and may be cited as the Medical Assistance Act.

5 Sec. 2. (1) For purposes of this section, payment
6 bundling means a payment method that includes payment for the
7 furnishing of applicable services and other appropriate services,
8 such as care coordination, medication reconciliation, discharge
9 planning, transitional care services, and other patient-centered
10 activities as established by the definition of bundled payments of
11 the United States Department of Health and Human Services.

12 (2) The department shall develop a voluntary
13 demonstration program to encourage primary care physicians as defined
14 in section 68-958 providing a medical home as defined in section
15 68-958 to improve patient care and achieve savings for the medical
16 assistance program through bundled payment models. The program shall
17 be available to start no later than January 1, 2012. The program
18 shall be available until January 1, 2017.

19 (3) The department shall seek a waiver from the federal
20 Centers for Medicare and Medicaid Services and shall provide waivers
21 from requirements under the medical assistance program as proposed by
22 an entity participating in the demonstration program if the quality
23 of care is not affected and the entity can demonstrate that the
24 waiver will result in a cost savings. The entity shall share equally
25 with the department in any cost savings generated by the

1 demonstration project.

2 (4) The department shall consult with representatives of
3 public health clinics that use a medical home model regarding
4 participation in a demonstration program. The consultation shall
5 include consideration of innovative methods of implementing bundled
6 payment methods in public health clinics.

7 (5) The department shall develop payment methods for
8 entities participating in the demonstration program. The payment
9 methods shall include bundled payments and bids from entities for
10 episodes of care. Payment bundling under the demonstration program
11 shall:

12 (a) Be comprehensive, covering the costs of applicable
13 services and other appropriate services furnished to an individual by
14 the entity participating in the demonstration program;

15 (b) Be made to the entity which is participating in the
16 demonstration program; and

17 (c) Require the entity participating in the demonstration
18 program to direct the payment for the applicable services and other
19 appropriate services furnished to an individual by the entity.

20 (6) An entity selected for participation in a
21 demonstration program shall submit data to the department for each
22 year of participation. The department shall report to the Legislature
23 by January 1, 2017, with a recommendation regarding expansion of the
24 demonstration project and regarding reductions in expenditures and
25 maintenance of delivery of quality health care services.

1 (7) The department shall determine whether the
2 demonstration program has been a success based on comparing the
3 previous per patient cost history under the medical assistance
4 program to the cost for the period of the demonstration program. The
5 department may also determine if a patient's history of visits to an
6 emergency room reimbursed by the medical assistance program for
7 nonemergency treatment have been reduced.

8 (8) The department may expand the demonstration program
9 for payment bundling if the program improves the quality of health
10 care services and reduces the costs to the medical assistance
11 program.

12 (9) In counties in which the department has contracted
13 for managed care of services under the medical assistance program,
14 the department shall, no later than January 1, 2012, submit a request
15 for a waiver to the federal Centers for Medicare and Medicaid
16 Services and an amendment to the medicaid state plan in order to
17 accommodate a demonstration program proposed by a provider in that
18 county in cooperation with the company the state has contracted with
19 for managed care services in that county.

20 Sec. 3. Original section 68-901, Revised Statutes
21 Cumulative Supplement, 2010, is repealed.

22 Sec. 4. Since an emergency exists, this act takes effect
23 when passed and approved according to law.