

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB73

Chairperson: Senator Rich Pahls

Committee: Banking, Commerce and Insurance

Date of Hearing: January 18, 2011

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

LB73 was introduced at the request of the Director of Insurance. The bill would amend the Comprehensive Health Insurance Pool (CHIP) Act in order to change how the pool is administered and how health care providers are reimbursed.

The bill would provide that CHIP shall be administered by “a pool administrator” rather than “an administering insurer” and would further provide that, in addition to an insurer, the pool administrator, as selected by the CHIP board of directors, may be a health maintenance organization, a third-party administrator, or any other appropriate entity as authorized by the Director of Insurance. The bill would add the ability to negotiate reduced provider reimbursement rates for benefits payable under pool coverage for covered services as a criterion for selection as pool administrator. (Sections 1, 2, 4, and 5 of the bill) (Sections 44-4217, 44-4219, 44-4223, and 44-4224).

The bill would provide that the CHIP board of directors shall establish provider reimbursement rates for benefits payable under pool coverage for covered services at rates equivalent to one hundred twenty-five percent of Medicare reimbursement. (Section 3 of the bill) (Section 44-4220.02).

The bill would repeal obsolete provisions and harmonize an internal reference. (Sections 6 and 7 of the bill) (Sections 44-4225 and 77-918).

Principal Introducer: _____

Senator Rich Pahls