

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1158

FINAL READING

Introduced by Arch, 14.

Read first time January 22, 2020

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to social services; to amend sections 71-801
2 and 71-831, Reissue Revised Statutes of Nebraska, and section
3 68-901, Revised Statutes Supplement, 2019; to change provisions
4 regarding contracts and agreements relating to the medical
5 assistance program; to create a fund; to provide duties regarding
6 job-skills programs for applicants for medical assistance; to
7 transfer provisions; to harmonize provisions; to repeal the original
8 sections; and to declare an emergency.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-901, Revised Statutes Supplement, 2019, is
2 amended to read:

3 68-901 Sections 68-901 to 68-994 and sections 2 to 4 of this act
4 shall be known and may be cited as the Medical Assistance Act.

5 Sec. 2. Section 71-831, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 ~~71-831~~ All contracts and agreements relating to the medical
8 assistance program governing at-risk managed care service delivery for
9 ~~behavioral~~ health services entered into by the department and existing on
10 or after the effective date of this act ~~July 21, 2016~~, shall:

11 (1) Provide a definition and cap on administrative spending such
12 that (a) administrative expenditures do not include profit greater than
13 the contracted amount, (b) any administrative spending is necessary to
14 improve the health status of the population to be served, and (c)
15 administrative expenditures do not include contractor incentives.
16 Administrative spending shall not under any circumstances exceed twelve
17 percent. Such spending shall be tracked by the contractor and reported ~~to~~
18 the department quarterly to the department and electronically to the
19 Clerk of the Legislature;

20 (2) Provide a definition of annual contractor profits and losses and
21 restrict such profits and losses under the contract so that profit shall
22 not exceed a percentage specified by the department but not more than
23 three percent per year as a percentage of the aggregate of all income and
24 revenue earned by the contractor and related parties, including parent
25 and subsidiary companies and risk-bearing partners, under the contract;

26 (3) Provide for return reinvestment of (a) any remittance if the
27 contractor does not meet the minimum medical loss ratio, (b) ~~performance~~
28 ~~contingencies imposed by the department, and (c) any unearned incentive~~
29 funds, and (c) any other funds in excess of the contractor limitations
30 identified in state or federal statute or contract to the State Treasurer
31 for credit to the Medicaid Managed Care Excess Profit Fund ~~to fund~~

1 ~~additional health services for children, families, and adults according~~
2 ~~to a plan developed with input from stakeholders and approved by the~~
3 ~~department. Such plan shall address the health needs of adults and~~
4 ~~children, including filling service gaps and providing system~~
5 ~~improvements;~~

6 (4) Provide for a minimum medical loss ratio of eighty-five percent
7 of the aggregate of all income and revenue earned by the contractor and
8 related parties under the contract;

9 (5) Provide that contractor incentives, in addition to potential
10 profit, be up to two percent of the aggregate of all income and revenue
11 earned by the contractor and related parties under the contract; and

12 (6) Be reviewed and awarded competitively and in full compliance
13 with the procurement requirements of the State of Nebraska.

14 Sec. 3. The Medicaid Managed Care Excess Profit Fund is created.
15 The fund shall contain money returned to the State Treasurer pursuant to
16 subdivision (3) of section 2 of this act. The fund shall first be used to
17 offset any losses under subdivision (2) of section 2 of this act and then
18 to provide for services addressing the health needs of adults and
19 children under the Medical Assistance Act, including filling service
20 gaps, providing system improvements, and sustaining access to care as
21 determined by the Legislature. The fund shall only be used for the
22 purposes described in this section. Any money in the fund available for
23 investment shall be invested by the state investment officer pursuant to
24 the Nebraska Capital Expansion Act and the Nebraska State Funds
25 Investment Act.

26 Sec. 4. (1) Beginning October 1, 2020, the Department of Health and
27 Human Services shall inform each adult applicant for medical assistance
28 about job-skills programs within the Department of Health and Human
29 Services, the Department of Labor, or other skill-based programs that
30 could assist the applicant for medical assistance in obtaining job skills
31 or training, employment, higher-paying jobs, or related skills. The

1 Department of Health and Human Services shall connect interested
2 applicants to such job-skills programs. The job-skills programs may be
3 utilized on a voluntary basis by applicants for medical assistance or
4 recipients of medical assistance. The job-skills programs do not affect
5 the receipt of services provided under the Medical Assistance Act.

6 (2) Beginning February 1, 2021, and within thirty days of the
7 expiration of each subsequent calendar quarter within the years 2021 and
8 2022, the Department of Health and Human Services shall report
9 electronically to the Clerk of the Legislature on the total number of
10 applicants for medical assistance who were referred to job-skills
11 programs under this section and any job-skills services received as a
12 result of this section by applicants for medical assistance.

13 (3) Beginning January 1, 2021, through December 31, 2022, the
14 Department of Labor shall report quarterly to the Department of Health
15 and Human Services the number of applicants for medical assistance who
16 were referred to job-skills programs under this section, the number of
17 applicants for medical assistance who received help obtaining job skills
18 or training, employment, higher-paying jobs, or related skills under this
19 section, and the types of job-skills services received as a result of
20 this section.

21 (4) The Department of Health and Human Services and the Department
22 of Labor shall administer this section.

23 Sec. 5. Section 71-801, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 71-801 Sections 71-801 to ~~71-830~~ 71-831 shall be known and may be
26 cited as the Nebraska Behavioral Health Services Act.

27 Sec. 6. Original sections 71-801 and 71-831, Reissue Revised
28 Statutes of Nebraska, and section 68-901, Revised Statutes Supplement,
29 2019, are repealed.

30 Sec. 7. Since an emergency exists, this act takes effect when
31 passed and approved according to law.