

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 836

Introduced by Arch, 14.

Read first time January 08, 2020

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to the Medical Assistance Act; to amend
2 sections 71-801 and 71-831, Reissue Revised Statutes of Nebraska,
3 and section 68-901, Revised Statutes Supplement, 2019; to change
4 provisions governing certain contracts and agreements; to harmonize
5 provisions; to repeal the original sections; and to declare an
6 emergency.

7 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 section 2 of this act shall be
4 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 existing on or after July 21, 2020 entered
10 ~~into by the department on or after 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;

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

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

31 ~~(3) Provide for reinvestment of (a) any remittance if the contractor~~

1 ~~does not meet the minimum medical loss ratio, (b) performance~~
2 ~~contingencies imposed by the department, and (c) any unearned incentive~~
3 ~~funds, to fund additional health services for children, families, and~~
4 ~~adults according to a plan developed with input from stakeholders and~~
5 ~~approved by the department. Such plan shall address the health needs of~~
6 ~~adults and children, including filling service gaps and providing system~~
7 ~~improvements;~~

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

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

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

16 Sec. 3. Section 71-801, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 71-801 Sections 71-801 to 71-830 ~~71-831~~ shall be known and may be
19 cited as the Nebraska Behavioral Health Services Act.

20 Sec. 4. Original sections 71-801 and 71-831, Reissue Revised
21 Statutes of Nebraska, and section 68-901, Revised Statutes Supplement,
22 2019, are repealed.

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