

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB541

Chairperson: Senator Kathy Campbell

Committee: Health and Human Services

Date of Hearing: February 09, 2011

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

LB 541 is introduced by the Health and Human Services in response to the LR 542 process as an option for addressing the budget deficit.

LB 541 requires the Department of Health and Human Services to contract with one or more recovery audit contractors to promote the integrity of Medicaid and assist with cost containment. The contracts will include services for cost-avoidance, cost-recovery and casualty recovery of payments through identification of third-party liability. Contractors will review claims submitted by providers of services, or other individuals furnishing items and services for which payment has been made, to determine whether a provider has been underpaid or overpaid and take action to recover any overpayments identified. Also, the department shall contract to support a health insurance premium assistance payment program. Finally, LB 541 allows the department to enter into any other contracts deemed to increase the efforts to promote the integrity of the medical assistance program.

The contracts entered into under the authority of this section may be on a contingent fee basis. Contingent fee payments are based upon amounts recovered not amount identified. Initial contracts will be entered into on or before July 1, 2011.

LB 541 requires the department to report to the Legislature the status of the contracts by December 1, 2011.

Principal Introducer: _____

Senator