

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1011

Introduced by Campbell, 25.

Read first time January 15, 2016

Committee: Health and Human Services

1 A BILL FOR AN ACT relating to the Nebraska Behavioral Health Services
2 Act; to amend section 71-831, Revised Statutes Cumulative
3 Supplement, 2014; to change and eliminate provisions relating to
4 contracts and agreements relating to the medical assistance program
5 governing at-risk managed care service delivery for behavioral
6 health services; to harmonize provisions; and to repeal the original
7 section.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 71-831, Revised Statutes Cumulative Supplement,
2 2014, is amended to read:

3 71-831 All contracts and agreements relating to the medical
4 assistance program governing at-risk managed care service delivery for
5 behavioral health services entered into by the department on or after the
6 effective date of this act July 1, 2012, shall:

7 (1) Provide a definition and cap on administrative spending such
8 that (a) shall not exceed seven percent unless the implementing
9 department includes detailed requirements for tracking administrative
10 spending to ensure (i) that administrative expenditures do not include
11 additional profit greater than the contracted amount, (b) and (ii) that
12 any administrative spending is necessary to improve the health status of
13 the population to be served, and (c) administrative expenditures do not
14 include contractor incentives. Administrative spending shall not under
15 any circumstances exceed twelve percent. Such spending shall be tracked
16 by the contractor and reported to the department quarterly (b) shall not
17 under any circumstances exceed ten percent;

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

25 (3) Provide for reinvestment of (a) any remittance if the contractor
26 does not meet the minimum medical loss ratio profits in excess of the
27 contracted amount, (b) performance contingencies imposed by the
28 department, and (c) any unearned incentive funds, to fund additional
29 behavioral health services for children, families, and adults according
30 to a plan developed with input from stakeholders, including consumers and
31 their family members, the office of consumer affairs within the division,

1 ~~and the regional behavioral health authority~~ and approved by the
2 department. Such plan shall address the ~~behavioral~~ health needs of adults
3 and children, including filling service gaps and providing system
4 improvements;

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

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

12 ~~(6) Provide that a minimum of one-quarter percent of the aggregate~~
13 ~~of all income and revenue earned by the contractor and related parties~~
14 ~~under the contract be at risk as a penalty if the contractor fails to~~
15 ~~meet the minimum performance metrics defined in the contract, and such~~
16 ~~penalties, if charged, shall be accounted for in a manner that shall not~~
17 ~~reduce or diminish service delivery in any way; and~~

18 (6 7) Be reviewed and awarded competitively and in full compliance
19 with the procurement requirements of the State of Nebraska.

20 Sec. 2. Original section 71-831, Revised Statutes Cumulative
21 Supplement, 2014, is repealed.