

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 518**

Introduced by Riepe, 12.

Read first time January 21, 2015

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to the Medical Assistance Act; to amend
- 2 section 68-901, Revised Statutes Cumulative Supplement, 2014; to
- 3 state intent; to provide for changes to the medical assistance
- 4 program; to provide powers and duties; to harmonize provisions; and
- 5 to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-901, Revised Statutes Cumulative Supplement,  
2 2014, is amended to read:

3 68-901 Sections 68-901 to 68-974 and section 2 of this act shall be  
4 known and may be cited as the Medical Assistance Act.

5 Sec. 2. (1) It is the intent of the Legislature to review the  
6 medical assistance program provided under the Medical Assistance Act and  
7 make changes to be effective beginning January 1, 2016, in order to:

8 (a) Provide incentives to recipients of benefits under the program  
9 through free market qualified health care services;

10 (b) Spend no additional General Funds;

11 (c) Accommodate more residents of Nebraska in the program; and

12 (d) Implement cost-efficient incentives.

13 (2) In order to accomplish the goals stated in subsection (1) of  
14 this section, the Legislature intends to establish the Nebraska Health  
15 Savings Account Plan and corresponding health savings accounts for  
16 recipients of benefits under the program and their spouses and  
17 dependents.

18 (3) The Nebraska Health Savings Account Plan shall provide for the  
19 following:

20 (a) Withdrawals from the health savings accounts are tax-free when  
21 used for qualified medical expenses;

22 (b) Earnings on the health savings accounts are tax-free, if any;

23 (c) The money in the health savings accounts is not forfeited at the  
24 end of a benefit year but rolls over from year to year;

25 (d) Health savings accounts are portable within Nebraska;

26 (e) Any money in health savings accounts when the accountholder  
27 becomes eligible for medicare may be used for medical expenses associated  
28 with medicare; and

29 (f) Any Nebraska resident who is eighteen years of age or younger is  
30 presumed to be eligible to be a recipient of benefits under the medical  
31 assistance program.

1       (4)(a) The Nebraska Health Savings Account Plan shall provide state  
2 funds for benefits for eligible recipients under the medical assistance  
3 program based on income and total assets. The Division of Medicaid and  
4 Long-Term Care of the Department of Health and Human Services shall  
5 continue to determine eligibility of recipients for benefits.

6       (b) Income shall be validated based on federal and state income tax  
7 filings, if any.

8       (c) Based on the plan option approved for the recipient and his or  
9 her family, if any, the state shall provide funding for benefits as  
10 follows:

11       (i) Option A shall provide for support at one hundred percent for a  
12 family of four which has income of not more than one hundred percent of  
13 the federal poverty level;

14       (ii) Option B shall provide for support at seventy percent for a  
15 family of four which has income of not more than one hundred thirty-three  
16 percent of the federal poverty level; and

17       (iii) Option C shall provide for support at forty percent for a  
18 family of four which has income of not more than two hundred percent of  
19 the federal poverty level.

20       (d) Each plan option shall include preventive health care services  
21 such as annual physicals, immunizations, screening services, and wellness  
22 programs.

23       (e) If the amount of funding for a recipient is insufficient, the  
24 reviewing agent assigned pursuant to subdivision (f) of this subsection  
25 shall review the funding and approve modifications, if appropriate. The  
26 recipient may appeal the determination of the reviewing agent to the  
27 division according to rules and regulations adopted and promulgated by  
28 the department.

29       (f) The division shall employ reviewing agents for the Nebraska  
30 Health Savings Account Plan. The reviewing agents shall, upon application  
31 by an eligible recipient, review the funding provided under the option

1 chosen, approve increases according to the rules and regulations adopted  
2 and promulgated by the division, and disapprove increases that are not  
3 covered by the rules and regulations. The division shall employ hearing  
4 officers to hear disputes regarding the determinations of reviewing  
5 agents. The chief executive officer of the Department of Health and Human  
6 Services shall have the final authority.

7 (g) The state shall place the amount of funds for which the  
8 recipient qualifies according to the option chosen in a health savings  
9 account for the recipient on a periodic basis as determined by the  
10 department.

11 (5)(a) The Nebraska Health Savings Account Plan shall offer the  
12 services described in this subsection.

13 (b)(i) The division shall establish a telephone triage or  
14 telemedicine program. The program shall provide recipients access to  
15 medical advice by telephone. The division shall contract with nursing  
16 personnel to operate the program twenty-four hours per day, seven days  
17 per week. The division shall employ a licensed physician who is trained  
18 as a primary care physician to approve nursing personnel for the program.  
19 The licensed physician shall develop and implement criteria and protocols  
20 for nursing personnel to be under contract with the program. The licensed  
21 physician shall develop and implement medical care protocols for use by  
22 the nursing personnel in responding to telephone calls.

23 (ii) A recipient may call the program for medical consultation and  
24 advice. The calls shall be recorded for purposes of quality assurance and  
25 dispute resolution. The recipient shall provide his or her debit card  
26 number as assigned pursuant to subdivision (c) of this subsection, and a  
27 fee established by the division shall be deducted from the debit card for  
28 each phone call. A recipient who has lost his or her debit card may call  
29 the telephone triage program and have his or her call assessed against  
30 the new debit card.

31 (iii) The nursing personnel may provide medical consultation within

1 the scope of practice of the individual and according to the medical  
2 protocols developed by the licensed physician.

3 (c) Recipients of benefits under the medical assistance program who  
4 choose an option in the Nebraska Health Savings Account Plan shall be  
5 provided a debit card which is pre-loaded with an authorized dollar  
6 amount according to the option chosen and the eligibility of the  
7 recipient. The recipient may use the debit card for purposes of calling  
8 the telephone triage program and for other medical services. A recipient  
9 who loses his or her debit card shall contact the division to have a new  
10 card issued.

11 (d) The division shall establish or participate in one or more  
12 health care provider networks to establish favorable prices for health  
13 care services. The division shall enter into an agreement to establish a  
14 fee schedule. Health care professionals shall be appropriately  
15 credentialed under the Uniform Credentialing Act to be eligible to  
16 participate in the networks.

17 (e) The following qualified medical services shall be eligible for  
18 reimbursement under the Nebraska Health Savings Account Plan:

19 (i) Alcoholism treatment;

20 (ii) Contact lens supplies if medically necessary;

21 (iii) Dental services;

22 (iv) Diagnostic services;

23 (v) Dyslexia diagnosis and treatment;

24 (vi) Eye examinations, glasses, and eye surgery;

25 (vii) Hearing aids and batteries for hearing aids;

26 (viii) Inpatient and outpatient hospital services;

27 (ix) Insulin, test strips, and lancets;

28 (x) Laboratory services;

29 (xi) Mental health services;

30 (xii) Nursing services;

31 (xiii) Prescription medicines, with a preference for generic drugs;

- 1       (xiv) Primary care physician or clinical nurse specialist services;  
2       (xv) Radiation services;  
3       (xvi) Retail clinics subject to approval of the department;  
4       (xvii) Surgery;  
5       (xviii) Telephone equipment for the visually or hearing impaired;  
6       and  
7       (xix) Wheelchairs and other durable medical equipment, with  
8       authorization.

9       (6)(a) The department shall contract for an ongoing audit of  
10       clinical services provided under the Nebraska Health Savings Account Plan  
11       to ensure that the services are being provided according to the standard  
12       of care and best practices established for Nebraska.

13       (b) The department shall contract for a periodic audit of customer  
14       services and financial services under the Nebraska Health Savings Account  
15       Plan to promote responsiveness to the customer and cost efficiency  
16       according to the standards and best practices established for Nebraska.

17       (c) The audit shall be conducted by an objective third party which  
18       shall report the results of the audit electronically to the Health and  
19       Human Services Committee of the Legislature.

20       (7) The department shall maintain a consumer hotline to screen  
21       service concerns. The calls to the hotline shall be recorded  
22       electronically for quality assurance and dispute resolution.

23       (8) The State of Nebraska shall provide for reinsurance or a funding  
24       pool for catastrophic losses to recipients enrolled in the Nebraska  
25       Health Savings Account Plan.

26       (9) The division shall appoint a chief information officer for the  
27       Medical Assistance Act. The chief information officer of the division, in  
28       consultation with the Chief Information Officer appointed pursuant to  
29       section 86-519, shall develop and implement an information technology  
30       system to administer the act with the changes under this section.

31       (10) The department shall adopt and promulgate rules and regulations

1 to carry out the Nebraska Health Savings Account Plan.

2 (11) The department shall apply for any needed state plan amendments  
3 or waivers to implement the Nebraska Health Savings Account Plan.

4 (12) The legal counsel of the Health and Human Services Committee of  
5 the Legislature shall prepare a committee amendment to this legislative  
6 bill to amend the necessary statutes to comply with the provisions of  
7 this section.

8 Sec. 3. Original section 68-901, Revised Statutes Cumulative  
9 Supplement, 2014, is repealed.