

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1011**

Introduced by Campbell, 25.

Read first time January 15, 2016

Committee:

- 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.