

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 956

Introduced by Walz, 15.

Read first time January 13, 2020

Committee:

- 1 A BILL FOR AN ACT relating to the Medical Assistance Act; to amend
- 2 section 68-901, Revised Statutes Supplement, 2019; to provide duties
- 3 for managed care organizations regarding provider agreements; to
- 4 define terms; to harmonize provisions; and to repeal the original
- 5 section.
- 6 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. (1) For purposes of this section:

6 (a) Material change means a change to a provider agreement, the
7 occurrence and timing of which is not otherwise clearly identified in the
8 provider agreement, that decreases the provider's payment or compensation
9 or changes the administrative procedures in a way that may reasonably be
10 expected to significantly increase the provider's administrative expense,
11 including altering an existing prior authorization, precertification,
12 notification, or referral program or an edit program or specific edits;
13 and

14 (b) Provider means a provider that has entered into a provider
15 agreement with a managed care organization to provide health care
16 services under the medical assistance program.

17 (2) Each managed care organization shall establish procedures for
18 changing an existing provider agreement with a provider that include the
19 requirements of this section.

20 (3) If a managed care organization makes any material change to a
21 provider agreement, the managed care organization shall provide the
22 provider with at least ninety days' notice of the material change. The
23 notice of a material change required under this section shall include:

24 (a) The proposed effective date of the material change;

25 (b) A description of the material change;

26 (c) A statement that the provider has the option to either accept or
27 reject the proposed material change in accordance with this section;

28 (d) The name, business address, telephone number, and electronic
29 mail address of a representative of the managed care organization to
30 discuss the material change, if requested by the provider;

31 (e) Notice of the opportunity for a meeting using real-time

1 communication to discuss the proposed changes if requested by the
2 provider, including any mode of telecommunications in which all users can
3 exchange information instantly or with negligible latency such as the use
4 of traditional telephone, mobile telephone, teleconferencing, and
5 videoconferencing. If requested by the provider, the opportunity to
6 communicate to discuss the proposed changes may occur via electronic mail
7 instead of real-time communication; and

8 (f) Notice that upon three material changes in a twelve-month
9 period, the provider may request a copy of the provider agreement with
10 material changes consolidated into a single document. Provision of the
11 copy of the provider agreement by the managed care organization shall be
12 for informational purposes only and shall have no effect on the terms and
13 conditions of the provider agreement.

14 (4) For any material change:

15 (a)(i) The material change shall take effect on the date provided in
16 the notice unless the provider objects to the change in accordance with
17 this subsection;

18 (ii) A provider who objects under this subsection shall do so in
19 writing and the written protest shall be delivered to the managed care
20 organization within thirty days after the provider's receipt of notice of
21 the proposed material change;

22 (iii) Within thirty days after the receipt of the written objection
23 by the managed care organization, the managed care organization and the
24 provider shall confer in an effort to reach an agreement on the proposed
25 change or any counterproposals offered by the provider; and

26 (iv) If the managed care organization and provider fail to reach an
27 agreement during the thirty-day negotiation period described in
28 subdivision (iii) of this subsection, then thirty days shall be allowed
29 for the parties to unwind their relationship, provide notice to patients
30 and other affected parties, and terminate the provider agreement pursuant
31 to its original terms; and

1 (b) The notice of proposed material change shall be sent in an
2 orange-colored envelope with the phrase ATTENTION! PROVIDER AGREEMENT
3 AMENDMENT ENCLOSED! This color of envelope shall be used for the sole
4 purpose of communicating proposed material changes and shall not be used
5 for other types of communication from a managed care organization.

6 (5) Any notice required to be mailed pursuant to this section shall
7 be sent to the provider's point of contact, as set forth in the provider
8 agreement. If no point of contact is set forth in the provider agreement,
9 the insurer shall send the requisite notice to the provider's place of
10 business addressed to the provider.

11 Sec. 3. Original section 68-901, Revised Statutes Supplement, 2019,
12 is repealed.