

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB315

Hearing Date: Thursday February 12, 2015
Committee On: Health and Human Services
Introducer: Howard
One Liner: Change provisions relating to medicaid recovery audit contractors

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Baker, Campbell, Cook, Crawford, Howard, Kolterman, Riepe
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Sara Howard
David O'Dherty
Jessica Meeske
Travis Antholz
Andrea Skolkin
Ronald Wiseman
John Travis Kobza
Ann Frohman
Bob hallstrom
Chuck Cone
Eric Hodges
Bruce Rieker
Nick Faustman

Representing:

District 9
Nebraska Dental Association
Nebraska Dental Association
Nebraska Academy of General Dentists
Health Center Association of Nebraska
West Maple Dental Specialists
Self
Nebraska Medical Association
Nebraska Pharmacists Association
Friends of Public Health
Nebraska Dental Association; NSPD
Nebraska Hosptial Association
Nebraska Nursing FACility Association; Nebraska Assisted Living Association

Opponents:

Jeanne Larsen

Representing:

Department of Health and Human Services, Divison of Medicaid and Long Term Care

Neutral:

Representing:

Summary of purpose and/or changes:

LB315 was introduced on behalf of the Nebraska Dental Association after complaints from dentists and decisions to refuse Medicaid patients because of the onerous audit requirements and business costs. The Affordable Care Act requires Medicaid audits by a Recovery Audit Contractor (RAC). This bill sets forth guidelines for these audits as allowed under federal law. It spells out specific accountability measures for the audits to provide more security for providers at the state level.

Section-by-section description:

Section (1): Amends 68-974, in the Medical Assistance Act for the following:

Allow payment for provider services that are under-billed;

Sets the time limit within which audits may take place (3 years);

Requires the conclusion of an audit within 90 days of the receipt of requested information;

Allows payment for services or products provided, even if inappropriately billed;

Requires the RAC auditor to utilize the assistance of providers from the practice areas being audited;

Requires written notice of the reason for an adverse determination that includes an explanation of why there was such determination and the procedures for reimbursement and appeal;

Requires a minimum of 10 days notice for onsite audits;

Clarifies that capitated medicaid managed care programs, services provided with prior authorization, and procedures utilized and relied upon for five years prior to the audit are excluded from RAC audits;

Prevents payment by the provider until all appeals have been concluded unless fraud is suspected and a fraud investigation has been initiated;

Allows the RAC auditor to be paid for identifying underpayments as well as overpayments;

Limits the amount of records that can be audited at one time;

Sets forth metrics for the RAC auditor to make public;

Requires training and educational programs by the RAC auditor for providers;

Allows providers to submit records in an electronic format;

Establishes appeals processes for providers, both informal and formal;

Requires an annual report to the Legislature.

Section (2): Repealer.

Explanation of amendments:

AM458 reflects changes identified by the department of health and humans services and clarifying updates. Changes and clarifies time frames for audits. Requires procedures for re-billing corrected claims. Excludes from review claims otherwise audited to prevent duplicative reviews. Aligns appeals process with department practice, changing informal and formal appeals to informal consultation process and appeal. Clarifies that only one audit can be conducted at a time. Includes the department in education and training.

Kathy Campbell, Chairperson