

ASSEMBLY BILL NO. 344—ASSEMBLYWOMAN NEAL

MARCH 16, 2015

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing Medicaid managed care programs. (BDR 38-399)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to Medicaid; prohibiting a managed care organization from requiring a provider of services to possess certain qualifications as a condition of entering into a contract to provide services to recipients of Medicaid; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing federal law authorizes a state to obtain a waiver to implement a
2 program to provide medical services pursuant to Medicaid through managed care.
3 (42 U.S.C. § 1396n(b)(1)) Existing law provides certain requirements for any
4 Medicaid managed care program established in this State. (NRS 422.273) This bill
5 prohibits a managed care organization from requiring a person to possess a level of
6 education that is not required by federal or state law or regulations or the State Plan
7 for Medicaid as a condition of entering into a contract with the person to provide
8 services to recipients of Medicaid on behalf of the managed care organization.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 422.273 is hereby amended to read as follows:
2 422.273 1. For any Medicaid managed care program
3 established in the State of Nevada, the Department shall contract
4 only with a health maintenance organization that has:
5 (a) Negotiated in good faith with a federally-qualified health
6 center to provide health care services for the health maintenance
7 organization;



(b) Negotiated in good faith with the University Medical Center of Southern Nevada to provide inpatient and ambulatory services to recipients of Medicaid; and

(c) Negotiated in good faith with the University of Nevada School of Medicine to provide health care services to recipients of Medicaid.

Nothing in this section shall be construed as exempting a federally-qualified health center, the University Medical Center of Southern Nevada or the University of Nevada School of Medicine from the requirements for contracting with the health maintenance organization.

2. During the development and implementation of any Medicaid managed care program, the Department shall cooperate with the University of Nevada School of Medicine by assisting in the provision of an adequate and diverse group of patients upon which the school may base its educational programs.

3. The University of Nevada School of Medicine may establish a nonprofit organization to assist in any research necessary for the development of a Medicaid managed care program, receive and accept gifts, grants and donations to support such a program and assist in establishing educational services about the program for recipients of Medicaid.

4. For the purpose of contracting with a Medicaid managed care program pursuant to this section, a health maintenance organization is exempt from the provisions of NRS 695C.123.

5. A managed care organization, including a health maintenance organization, that arranges for the provision of services to recipients of Medicaid under the State Plan for Medicaid pursuant to a contract with the Division shall not require a person to possess a level of education that is not required by federal or state law or regulations or the State Plan for Medicaid as a condition to entering into a contract with the managed care organization to provide services to recipients of Medicaid on behalf of the managed care organization.

6. The provisions of this section apply to any managed care organization, including a health maintenance organization, that provides health care services to recipients of Medicaid under the State Plan for Medicaid or the Children's Health Insurance Program pursuant to a contract with the Division. Such a managed care organization or health maintenance organization is not required to establish a system for conducting external reviews of adverse determinations in accordance with chapter 695B, 695C or 695G of NRS. This subsection does not exempt such a managed care organization or health maintenance organization for services provided pursuant to any other contract.



1 ~~16.1~~ 7. As used in this section, unless the context otherwise
2 requires:

3 (a) “Federally-qualified health center” has the meaning ascribed
4 to it in 42 U.S.C. § 1396d(1)(2)(B).

5 (b) “Health maintenance organization” has the meaning ascribed
6 to it in NRS 695C.030.

7 (c) “Managed care organization” has the meaning ascribed to it
8 in NRS 695G.050.

9 **Sec. 2.** This act becomes effective on July 1, 2015.

