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HOUSE BILL 641

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

John A. Heaton

AN ACT

RELATING TO HEALTH; ENACTING THE MEDICAID MANAGED CARE
ACCOUNTABILITY ACT; ESTABLISHING DUTIES AND RESPONSIBILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the
"Medicaid Managed Care Accountability Act".

Section 2. DEFINITIONS.--As used in the Medicaid Managed
Care Accountability Act:

A. "committee" means the legislative finance
committee;

B. "department" means the department of health, or
the human services department, or both, as the context
requires; and

C. "medicaid managed care" means a program of
health services provided to eligible clients by a managed care

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1 organization under a contract with a department.

2 Section 3. REVIEW AND ACCOUNTABILITY--CONSULTATION AND
3 RECOMMENDATIONS. --

4 A. The committee shall annually review the
5 operations, management and impact of the medicaid managed care
6 program and report its findings and recommendations to the
7 legislature.

8 B. The departments shall advise the committee on
9 the nature and progress of requests for proposals for
10 provision of medicaid managed care services and shall take the
11 committee's recommendation into consideration in making
12 decisions on the contractual process. Prior to publishing
13 requests for proposals, the department shall consult with the
14 committee on possible contract terms, including:

- 15 (1) scope of work;
- 16 (2) performance standards; and
- 17 (3) terms, conditions and deadlines of the
18 request for proposal process.

19 C. By January 1 of the year preceding the fiscal
20 year in which a contract for provision of medicaid managed
21 care services is expected to be signed, responses to the
22 requests for proposals, including cost information, shall be
23 made available to the committee prior to the signing of a
24 contract for the provision of medicaid managed care services.
25 Responses to the requests for proposals and information

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1 related to the responses shall be presented to the committee
2 by the department in such a form and manner that the contents
3 of any proposal or negotiation is not disclosed or available
4 to the public or to other persons responding to the request
5 for proposals.

6 Section 4. DATA REQUIRED--COMMITTEE COPIES.--By October 1
7 each year, all information required to be provided to the
8 department under medicaid managed care contracts shall also be
9 provided to the committee, except that the form of the material
10 presented to the committee shall prevent identification of
11 individual medicaid clients. Each managed care organization
12 under contract to a department shall include in its report:

13 A. an overview of the delivery, operational and
14 financial aspects of the managed care plan, including
15 subcontractors participating and risk-sharing for major
16 categories of services;

17 B. the quality of care provided, based on nationally
18 accepted standards, client satisfaction survey results,
19 grievances and their determinations, disenrollment and changes
20 in plan enrollment;

21 C. the numbers and demographics of medicaid clients;

22 D. the medical loss ratio; the breakdown of
23 expenditures by specific type of services; the percent of
24 capitated payment for administrative expense; and profits
25 earned;

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1 E. changes in the provider service network and the
2 turnover of primary care and specialty providers;

3 F. additional benefits offered, if any;

4 G. utilization management activities, including the
5 number of out-of-network approvals, denials for services,
6 appeals and appeal resolutions;

7 H. utilization rates by types of service, including
8 the number of units of service provided, the number of eligible
9 patients receiving each type of service and drug utilization
10 profiles;

11 I. performance in terms of contractual obligations
12 and specifications;

13 J. an annual independent assessment of the program
14 that includes:

15 (1) quality assessment; and

16 (2) outcomes and client-care satisfaction
17 compared with the managed care organization's non-medicaid
18 clients; and

19 K. additional information requested by the
20 departments related to quality, outcomes, financing, cost and
21 utilization of the program.

22 Section 5. CONTRACT RENEWAL REQUIREMENTS.--Prior to any
23 medicaid managed care contract renewal or extension, the
24 department shall, during the last year of the contract's basic
25 term, conduct assessments and make recommendations to the

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1 committee on:

2 A. the efficiency, effectiveness and impact of the
3 medicaid managed care program, including comparisons with the
4 fee for service medicaid program;

5 B. trends in enrollment, utilization and
6 expenditures under the contract, compared with similar
7 commercial and national programs and with the fee for service
8 medicaid program;

9 C. the impact of the program on the health services
10 infrastructure, health services availability statewide and the
11 supply and distribution of health professionals;

12 D. the impact of the program on access to health
13 services for indigent persons;

14 E. program revisions, as based on departmental
15 assessment as well as on recommendations of the medicaid
16 advisory committee, providers and the public; and

17 F. contributions the operation of the program makes
18 to further the:

- 19 (1) overall state health policy;
20 (2) goals of the medicaid program; and
21 (3) legislative recommendations on the
22 medicaid program.

23 Section 6. INFORMATION ACCESS.--Except for the
24 information required by Subsection C of Section 3 of the
25 Medicaid Managed Care Accountability Act, all information

1 required to be provided by managed care organizations and the
2 departments shall be available to the public upon request.

3 Section 7. EFFECTIVE DATE. --The effective date of the
4 provisions of this act is July 1, 1999.

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1 FORTY- FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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6 March 1, 1999

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8 Mr. Speaker:

9
10 Your APPROPRIATIONS AND FINANCE COMMITTEE, to whom
11 has been referred

12
13 HOUSE BILL 641, as amended

14
15 has had it under consideration and reports same with
16 recommendation that it DO PASS.

17 Respectfully submitted,

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22 Max Coll, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 17 For 0 Against

Yes: 17

Excused: None

Absent: None

J: \99BillSWP\H0641

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1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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HB 641/a

5 March 11, 1999
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8 Mr. President:

9 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
10 whom has been referred
11

12 HOUSE BILL 641, as amended
13

14 has had it under consideration and reports same with
15 recommendation that it DO PASS, amended as follows:

16 1. On page 2, line 2, strike "CONSULTATION AND".
17

18 2. On page 2, line 10, after "services" strike the remainder
19 of the line, strike all of line 11 and strike line 12 through
20 "process".
21

22 3. On page 2, line 13, strike "consult with" and insert in
23 lieu thereof "advise".

24 4. On page 2, line 21, after the comma insert "the general
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FORTY- FOURTH LEGISLATURE
FIRST SESSION, 1999

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content of".

5. On page 3, between lines 5 and 6, insert the following subsection:

"D. Nothing in this section shall be interpreted as giving the committee any authority concerning the determination of the content of the request for proposals or the selection of successful bidders."

6. On page 3, line 24 after the semicolon, strike "and profits".

7. On page 3, line 25, strike "earned;".,

Respectfully submitted,

Roman M. Maes, Chairman

FORTY- FOURTH LEGISLATURE
FIRST SESSION, 1999

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Aragon, McKibben, Robinson

Absent: None

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