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SENATE BILL 23

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

INTRODUCED BY

Linda M Lopez

AN ACT

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

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

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1 health services provided to eligible clients by a managed care  
2 organization under a contract with a department.

3 Section 3. REVIEW AND ACCOUNTABILITY--  
4 RECOMMENDATIONS. --

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

9 B. The departments shall advise the committee on  
10 the nature and progress of requests for proposals for  
11 provision of medicaid managed care services. Prior to  
12 publishing requests for proposals, the department shall advise  
13 the committee on possible contract terms, including:

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

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

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

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

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

17 A. an overview of the delivery, operational and  
18 financial aspects of the managed care plan, including  
19 subcontractors participating and risk-sharing for major  
20 categories of services;

21 B. the quality of care provided, based on  
22 nationally accepted standards, client satisfaction survey  
23 results, grievances and their determinations, disenrollment  
24 and changes in plan enrollment;

25 C. the numbers and demographics of medicaid

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1 clients;

2 D. the medical loss ratio; the breakdown of  
3 expenditures by specific type of services; the percent of  
4 capitated payment for administrative expense;

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

7 F. additional benefits offered, if any;

8 G. utilization management activities, including  
9 the number of out-of-network approvals, denials for services,  
10 appeals and appeal resolutions;

11 H. utilization rates by types of service,  
12 including the number of units of service provided, the number  
13 of eligible patients receiving each type of service and drug  
14 utilization profiles;

15 I. performance in terms of contractual obligations  
16 and specifications and compliance with the Patient Protection  
17 Act;

18 J. an annual independent assessment of the program  
19 that includes:

20 (1) quality assessment; and

21 (2) outcomes and client-care satisfaction  
22 compared with the managed care organization's non-medicaid  
23 clients; and

24 K. additional information requested by the  
25 departments related to quality, outcomes, financing, cost and

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1 utilization of the program

2 Section 5. CONTRACT RENEWAL REQUIREMENTS.--Prior to any  
3 medicaid managed care contract renewal or extension, the  
4 department shall, during the last year of the contract's basic  
5 term, conduct assessments and make recommendations to the  
6 committee on:

7 A. the efficiency, effectiveness and impact of the  
8 medicaid managed care program, including comparisons with the  
9 fee-for-service medicaid program;

10 B. trends in enrollment, utilization and  
11 expenditures under the contract, compared with similar  
12 commercial and national programs and with the fee-for-service  
13 medicaid program;

14 C. the impact of the program on the health  
15 services infrastructure, health services availability  
16 statewide and the supply and distribution of health  
17 professionals;

18 D. the impact of the program on access to health  
19 services for indigent persons;

20 E. program revisions, as based on departmental  
21 assessment as well as on recommendations of the medicaid  
22 advisory committee, providers and the public; and

23 F. contributions the operation of the program  
24 makes to further the:

25 (1) overall state health policy;

- 1 (2) goals of the medicaid program; and  
2 (3) legislative recommendations on the  
3 medicaid program.

4 Section 6. INFORMATION ACCESS. -- Except for the  
5 information required by Subsection C of Section 3 of the  
6 Medicaid Managed Care Accountability Act, all information  
7 required to be provided by managed care organizations and the  
8 departments shall be available to the public upon request.

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

11 Section 8. EMERGENCY. -- It is necessary for the public  
12 peace, health and safety that this act take effect  
13 immediately.