

LEGISLATIVE BILL 804

Approved by the Governor June 9, 1993

Introduced by Wesely, 26; Ashford, 6; Baack, 47; Dierks, 40;
 Haberman, 44; Hall, 7; Moore, 24; Schellpeper, 18;
 Warner, 25; Wehrbein, 2; Will, 8; Day, 19;
 Byars, 30; Rasmussen, 20

AN ACT relating to public assistance; to amend section 68-1019, Reissue Revised Statutes of Nebraska, 1943; to authorize and require limits on services and goods for recipients under the medical assistance program; to require a report on initiatives for welfare reform; to provide powers and duties; to provide a termination date; to repeal the original section; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 68-1019, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

68-1019. (1) Medical assistance on behalf of recipients shall be paid directly to vendors.

(2) On behalf of recipients over sixty-five years of age, medical assistance shall include care in an institution for mental diseases.

(3) On behalf of all recipients, medical assistance shall include:

(a) ~~Inpatient~~ ~~other inpatient~~ and outpatient hospital care;

(b) ~~Laboratory~~ ~~laboratory~~ and X-ray services;

(c) ~~Nursing~~ ~~nursing~~ home services;

(d) ~~Care~~ ~~care~~ home services;

(e) ~~Home~~ ~~home~~ health care services;

(f) ~~Nursing~~ ~~nursing~~ services;

(g) ~~Clinic~~ ~~clinic~~ services;

(h) ~~Services~~ ~~services~~ of practitioners licensed by the

Department of Health; ~~;~~ and

(i) ~~Such~~ ~~such~~ drugs, appliances, and health aids as may be prescribed by practitioners licensed by the Department of Health.

(4) The Director of Social Services shall provide limits as to the amount, duration, and scope of services and goods recipients may receive under the medical assistance program. For purposes of providing limits as to the amount, duration, and scope of services and goods recipients may receive under the medical assistance program, the Department of Social Services shall adopt and promulgate rules and regulations. The limits adopted shall in all respects comply with applicable provisions of Title XIX of the Social Security Act and the related federal regulations, as they may be amended from time to time. Prior to the adoption of such rules and regulations, the director shall

provide a report to the Governor and the Legislature outlining proposed limits. Such report shall be provided to the Governor and the Legislature by December 1 of each year. No rules or regulations to implement such limits shall be put into effect until April 1 following the report.

Sec. 2. (1) In developing the proposed limits as to amount, duration, and scope of services and goods recipients may receive under the medical assistance program, the Director of Social Services shall consider the effect such limits will have on the ability of such recipients to maintain their health, to live independently outside of medical institutions, and to engage in employment. The director shall also consider the impact such limits will have on short-term and long-term savings of expenditures to the medical assistance program.

(2) The director shall include in the report required under section 68-1019 the philosophy, standards, and criteria used to develop the proposed limits for amount, duration, and scope taking into consideration the criteria outlined in subsection (1) of this section and any other criteria as may be determined by the director.

Sec. 3. For the fiscal year beginning July 1, 1993, the Department of Social Services may initiate the following limits as to amount, duration, and scope of services or goods recipients may receive under the medical assistance program:

(1) Chiropractic services for all eligible groups: Limit the number of manual manipulations to eighteen treatments in a five-month period and limit coverage of stabilization of care to one visit per month;

(2) Podiatric services for all eligible groups: Reduce payment by twelve percent for certain surgical procedures if done in a hospital outpatient setting rather than in the office of a podiatrist;

(3) Occupational therapy, physical therapy, and speech, hearing, and language therapy for adults: Limit coverage of therapy provided by home health agencies and emphasize an increase in independent therapy by these health care providers;

(4) Limit amount of payments for ventilator-dependent recipients to the cost of care of average institutional costs and limit other in-home nursing costs to the highest case-mix level per diem for nursing facilities;

(5) Dental services for adults: Eliminate coverage of cast partial dentures and eliminate coverage of partial dentures except to replace front teeth;

(6) Visual care: All routine eye exams to be billed at the intermediate level of care, set maximum payment levels for eyeglass lenses rather than pay laboratory invoice costs, establish medical necessity criteria for eyeglass tints and UV coating, and establish a selection of frame styles coverable;

(7) Durable medical equipment: Reduce payment levels for equipment and supplies, simplify policies and procedures for converting durable medical equipment rental to purchase, and eliminate future coverage of external powered prosthetic devices;

(8) Hearing aids: Reduce hearing aid dispensing fees;

(9) Further expand the mandate to use bioequivalent generic drugs;

(10) Transportation services: Eliminate transportation to non-medicaid-coverable services except for transportation to adult day care facilities; reimbursements and lodging when provided through a hospital shall be included as a medical transportation service under the medical assistance program; and set taxi reimbursement at seventy-five percent of customary charge; and

(11) Eliminate coverage of mileage and conference fees for home-based service providers providing outpatient psychiatric services for adults.

Sec. 4. The Department of Social Services shall develop a mechanism to monitor the effect of the limitations imposed by section 68-1019 and sections 2 and 3 of this act which shall include to the extent possible a report of the extent of the shifting by recipients from services which are no longer covered to other services. The report shall include to the extent possible the amount of such shifting and the costs. The report shall be provided to the Governor and the Legislature.

Sec. 5. The Department of Social Services shall restrict, to the extent possible, each medical assistance recipient to a single pharmacy for purposes of monitoring the number of prescriptions utilized by the recipient.

Sec. 6. (1) The Director of Social Services shall consult with Nebraska pharmacists and pharmaceutical companies and others interested in the issue and shall establish a plan to reduce pharmaceutical expenditures under the medical assistance program. The Department of Social Services shall implement a point-of-sale verification system for pharmaceuticals for medical assistance recipients.

(2) The department shall undertake efforts to the extent possible to provide for managed care for medical assistance recipients in all areas of the state. The purpose of such managed care efforts shall be to provide medical assistance recipients those services which are needed in a prudent and nonfraudulent manner.

(3) It is the intent of the Legislature that the management of the medical assistance program through managed care, point-of-sale for drugs, and other cost-containment initiatives shall result in additional savings for the 1994-1995 biennial budget of at least one million seven hundred thousand dollars.

Sec. 7. The Director of Social Services shall report to the Governor and the Legislature on initiatives for welfare reform in Nebraska. The report shall identify ways to provide individuals and families with temporary support needed for those individuals who are not capable of being self-sufficient. The report shall identify ways to promote self-sufficiency and shall include, but not be limited to, options such as:

(1) Training and wage subsidy programs;

(2) Job-search programs;

(3) Community job programs;

(4) Increasing earned income and savings limits by

recipients;

(5) Programs to encourage teenage parents to stay in school;

(6) Limitations on the length of public assistance benefits;

(7) Other mechanism to further welfare reform by making welfare transitional for those who are able to work; and

(8) Ways to contain additional costs.

Sec. 8. The authority of the Director of Social Services to provide further limits as to the amount, duration, and scope of services and goods recipients may receive under the medical assistance program shall terminate on January 1, 1996.

Sec. 9. That original section 68-1019, Reissue Revised Statutes of Nebraska, 1943, is repealed.

Sec. 10. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.