

2020 Regular Session

SENATE BILL NO. 281

BY SENATOR LUNEAU

HEALTH DEPARTMENT. Provides relative to contracts with Medicaid managed care organizations. (8/1/20)

1 AN ACT

2 To enact R.S. 39:1648.1, relative to contracts with Medicaid managed care organizations;
3 to provide for minimum requirements; to provide for staff requirements; to provide
4 for healthcare provider audits; to provide for frequency of updating provider rosters;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1648.1 is hereby enacted to read as follows:

8 **§1648.1. Medicaid contracts; minimum requirements**

9 **A. Contracts entered into by the Louisiana Department of Health with**
10 **any Medicaid managed care organization shall include the following minimum**
11 **requirements:**

12 **(1) Individuals who are employed by the managed care organization to**
13 **make prior authorization determinations, supervise prior authorization staff,**
14 **conduct clinical reviews, or perform audits shall be domiciled in Louisiana.**

15 **(2)(a) Audits shall be conducted on providers in the managed care**
16 **organizations network at least once, but no more than twice in a fiscal year to**
17 **ensure compliance with program standards. More frequent audits may be**

1 performed if the provider does not score at least eighty percent on the audit or
 2 if the provider does not complete a corrective action plan. A corrective action
 3 plan shall be required of every provider that does not score at least eighty
 4 percent on the audit.

5 (b) A managed care organization may initiate claim payment
 6 recoupment when a provider fails to comply with a corrective action plan after
 7 a subsequent audit and shall initiate claim payment recoupment immediately
 8 for claims in which fraud, waste, or abuse are identified in the audit.

9 (3) Standardized provider rosters shall be updated within seven days of
 10 receipt.

11 B. No Medicaid managed care organization contract shall be executed
 12 without the inclusion of the minimum requirements set forth in this Section.
 13 Any existing contract entered into prior to August 1, 2020, shall be amended to
 14 include the minimum requirements set forth in this Section.

15 C. The department shall enforce monetary penalties against any
 16 Medicaid managed care organization that violates the contractual provision
 17 provided for in this Section.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Christine Arbo Peck.

DIGEST

SB 281 Original

2020 Regular Session

Luneau

Proposed law provides for minimum requirements for contracts entered into by the La. Dept. of Health with any Medicaid managed care organization, including staff domicile requirements, for employees that perform certain functions, minimum audit standards, and publication of a standardized provider rosters updated within seven days of receipt.

Proposed law provides that no Medicaid managed care organization contract shall be executed without inclusion of the minimum requirements and that any existing contract entered into prior to August 1, 2020, shall be amended to include the minimum requirements.

Proposed law provides that the department shall enforce monetary penalties against any Medicaid managed care organization that violates minimum contractual requirements.

Effective August 1, 2020.

(Adds R.S. 39:1648.1)