SENATE SUMMARY OF HOUSE AMENDMENTS

SB 185 By Senator Murray

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

HEALTH CARE. Provides relative to Medicaid and certain managed health care organizations providing health care services to Medicaid beneficiaries. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Adds provisions stipulating that the correctly completed application which a health care provider submits to a managed care organization for credentialing must also be fully completed.

2. Adds requirement that a managed care organization inform an applicant for credentialing within 30 days of receipt of the application of all defects and reasons known at the time by the organization if it deems the application to be not fully completed.

3. Deletes provision stipulating that nothing in proposed law shall be construed to require a managed care organization credentialing or approval in determining inclusion or participation in the managed care organization's contracted network.

4. Deletes provision requiring managed care organizations, beginning Jan. 1, 2014, to utilize a single-page prior authorization form issued by DHH. Adds in lieu thereof a provision requiring managed care organizations to accept a standard prior authorization form, not to exceed two pages, excluding guidelines or instructions, issued by DHH.

5. Adds provision authorizing a health care provider to submit electronically the prior authorization form provided for in proposed law if the managed care organization allows for submission of the form in this manner.

6. Deletes the date (Jan. 1, 2014) by which proposed law requires DHH to promulgate rules and regulations providing for the prior authorization form.

7. Modifies language relative to instances in which step therapy or a fail first protocol is expected to be ineffective.

8. Deletes proposed law providing that the duration of any step therapy or fail first protocol shall not be longer than the customary period for the medication when such treatment is demonstrated by the prescribing physician to be clinically ineffective. Added in lieu thereof a requirement that the duration of any step therapy or fail first protocol not be longer than the duration of action for the medication as described in the pharmacokinetics section of the package insert approved by the FDA when such treatment is demonstrated by the prescribing physician to be clinically ineffective.

9. Deletes proposed law providing that when the managed care organization demonstrates through sound clinical evidence the originally prescribed medication is likely to require more than the customary period for such medication to provide any relief or an amelioration to the Medicaid enrollee, the step therapy or fail first protocol may be extended for an additional period of time no longer than the original customary period for the medication.

10. Adds requirement that monthly capitation rates which DHH offers to managed care organizations continue to be actuarially sound and consistent

with federal requirements as a condition for the prohibition in proposed law on DHH changing managed care organizations' per member per month contractual rates.

11. Changes effective date of proposed law from date of governor's signature or lapse of time for gubernatorial action to Jan. 1, 2014.

12. Makes technical changes.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

Proposed law provides definitions.

Proposed law provides an exemption to the provisions of the proposed law for any entity contracted with the Department of Health and Hospitals to provide fiscal intermediary services in processing claims of the health care providers.

Proposed law provides for provider credentialing. Proposed law requires managed care organizations requiring a health care provider to be credentialed, recredentialed, or approved prior to rendering health care services to a Medicaid recipient within 90 days from the date receiving the information needed for credentialing.

Proposed law provides for a managed care organization informing an applicant within 30 days of the date of the receipt of the application of all defects and reasons known for the application being deemed incorrectly or not fully completed.

Proposed law provides for a managed care organization informing an applicant in the event verification or a verification supporting statement not received within 60 days of the date of the managed care organization's request.

Proposed law provides for interim credentialing requirements.

Proposed law provides for prepaid coordinated care network pharmaceutical and therapeutic committees. Such committees will be responsible for developing a drug formulary and preferred drug list for the prepaid coordinated network.

Proposed law provides for the committees to hold public meetings at least semi-annually in Baton Rouge. Such meetings must permit public comments.

Proposed law provides DHH will not implement the pharmacopoeia authorized by the proposed law until the initial pharmacopoeia is submitted to and approved by the Senate and House committees on health and welfare. Proposed law provides the Senate and House committees on health and welfare may only approve or reject the pharmacopoeia and may not add specific drugs to or delete specific drugs from the pharmacopoeia.

Proposed law requires all managed care organizations to accept, in addition to any currently accepted facsimile and electronic prior authorization forms, a standard prior authorization form, not to exceed two pages, excluding guidelines or instructions, that has been duly promulgated by DHH in accordance with the Administrative Procedure Act. Authorizes a health care provider to submit the prior authorization form electronically if the managed care organization allows for submission of the form in this manner.

Proposed law provides a managed care organization shall comply with the exceptions to prior authorization provided in present law.

Proposed law provides managed care organizations utilizing step therapy or fail first protocols will comply with the proposed law. Proposed law provides when medications for the treatment of any medical condition will be restricted for use by a managed care organization by a step therapy or fail first protocol, the prescribing physician will be provided

with and have access to a clear and convenient process to request an override. Proposed law provides an override will be granted under the following circumstances:

(1) The prescribing physician demonstrates to the managed care organization, based on sound clinical evidence, the preferred treatment required under step therapy or fail first protocol has been ineffective in the treatment of the Medicaid enrollee's disease or medical condition.

(2) The prescribing physician can demonstrate to the managed care organization, based on sound clinical evidence, the preferred treatment required under the step therapy or fail first protocol will be, or will be expected to be, ineffective based on the known relevant physical or mental characteristics and medical history of the Medicaid enrollee and known characteristics of the drug regimen.

(3) The prescribing physician demonstrates to the managed care organization, based on sound clinical evidence, the preferred treatment required under the step therapy or fail first protocol causes or likely causes an adverse reaction or other physical harm to the Medicaid enrollee.

Proposed law provides the duration of any step therapy or fail first protocol will not be longer than the duration of action for the medication as described in the pharmacokinetics section of the package insert approved by the U.S. Food and Drug Administration when such treatment is demonstrated by the prescribing physician to be clinically ineffective.

Proposed law prohibits DHH from amending or altering the existing Bayou Health plans' per member per month contractual rates in effect as of the effective date of proposed law for any purpose which is related to the implementation of proposed law, upon the condition that monthly capitation rates offered to managed care organizations shall continue to be actuarially sound and consistent with the requirements set forth in federal regulations.

Effective January 1, 2014.

(Adds R.S. 46:460.31-460.32, 460.41-460.42, 460.51-460.53, and 460.71)

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