



General Assembly

January Session, 2001

**Raised Bill No. 1278**

LCO No. 4066

Referred to Committee on Human Services

Introduced by:  
(HS)

**AN ACT REQUIRING MANAGED CARE ORGANIZATIONS PROVIDING SERVICES TO MEDICAID RECIPIENTS TO BE ACCOUNTABLE TO THE DEPARTMENT OF SOCIAL SERVICES AND TO THE PUBLIC WITH RESPECT TO SUBCONTRACTED SERVICES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (a) On and after July 1, 2001, each Medicaid  
2 managed care plan shall submit a report to the Commissioner of Social  
3 Services and to the Medicaid Managed Care Council, on a quarterly  
4 basis, which details the proportion and amount of its monthly  
5 payment received from the Department of Social Services that has been  
6 paid to managed care subcontractors which are required by  
7 subcontract to make payment directly to behavioral health, dental  
8 health, vision care or any other health care providers for services  
9 provided to the plan's enrollees. In each such report, the Medicaid  
10 managed care plan shall state, for each such subcontractor (1) the  
11 amount of its payments to the subcontractor, (2) the portion of such  
12 payments which were paid to providers of health services, and (3) the  
13 portion of such payments which were used for administrative costs  
14 and profits of the subcontractor. Such reports shall be made available  
15 to the public.

16 (b) Each Medicaid managed care plan shall submit an annual report  
17 to the Commissioner of Social Services and to the Medicaid Managed  
18 Care Council on the specific system of payment used with each of its  
19 managed care subcontractors, which report shall identify the types and  
20 purposes of any incentive payments made, or payments withheld, in  
21 conjunction with its contracts with such subcontractors during each  
22 such period. Such reports shall be made available to the public.

23 (c) On and after July 1, 2001, all Medicaid managed care plans shall  
24 require through contracts approved by the Department of Social  
25 Services that each of its subcontractors provide the full extent of health  
26 services which the plan is required to provide to Medicaid recipients  
27 for each category of services covered by the subcontract.

28 (d) All notices of action regarding a termination, suspension,  
29 reduction, denial or partial denial of services by a Medicaid managed  
30 care plan or by one of its managed care subcontractors, including all  
31 notices concerning an approval of less than the amount, duration,  
32 scope or frequency of services requested, shall be issued to the  
33 Medicaid recipient directly by the Department of Social Services or by  
34 the Medicaid managed care plan, and may not be issued by a managed  
35 care subcontractor or provider.

36 Sec. 2. This act shall take effect July 1, 2001.

***Statement of Purpose:***

To require managed care organizations to make periodic reports to the Commissioner of Social Services and to the Medicaid Managed Care Council in order to improve accountability.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*