

2018 Regular Session

SENATE BILL NO. 507

BY SENATOR MILLS

MEDICAID. Provides relative to Medicaid managed care organizations. (8/1/18)

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AN ACT

To enact R.S. 46:460.72, relative to Medicaid managed care organizations; to provide for plan payment accountability; to provide for payment to providers; to provide for obligations by the managed care organizations; to provide for reimbursement to the state; to provide for authority of the attorney general; to provide for deposits into the Medical Assistance Programs Fraud Detection Fund; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 46:460.72 is hereby enacted to read as follows:

§460.72. Medicaid managed care plan payment accountability

A. Any Medicaid managed care organization that enrolls a provider into its provider network and fails to ensure proper compliance with Medicaid provider enrollment, credentialing, or accreditation requirements shall be liable for reimbursement to the provider for any services rendered to Medicaid recipients during the period in question, to be paid from the administrative funds of the managed care organization, until such time as the deficiency in the providers status is remedied if the provider relied in good faith on

1 misinformation by the managed care plan and acted without fault or fraudulent
2 intent. The provider shall prove absence of fault or fraudulent intent by
3 producing guidance, applications, or other written communication from the
4 managed care organization that bears incorrect information. In addition to the
5 managed care organization being responsible for payment to the provider, the
6 Louisiana Department of Health shall impose monetary sanctions on the
7 managed care organization in accordance with rules and regulations
8 promulgated pursuant to the Administrative Procedure Act.

9 B. Any Medicaid managed care organization that enrolls a provider into
10 the provider network and fails to ensure proper compliance with Medicaid
11 provider enrollment, credentialing, or accreditation requirements shall be liable
12 for reimbursement to the state for any claims paid to the provider during the
13 period in question, to be paid from the administrative funds of the managed
14 care organization, if the provider acted with fault or fraudulent intent. In
15 addition to the managed care organization being responsible for reimbursement
16 to the state for any payments made to a provider, the Louisiana Department of
17 Health shall impose monetary sanctions on the managed care organization in
18 accordance with rules and regulations promulgated pursuant to the
19 Administrative Procedure Act. The managed care organization shall not allege
20 fault or fraudulent intent by a provider unless it can produce written
21 documentation prepared by the provider that includes irrefutably false
22 information submitted by the provider to the managed care organization.

23 C. The attorney general shall have the authority to investigate, enforce,
24 and seek recoupment from any Medicaid managed care organization pursuant
25 to the provisions of this Section. Any funds collected by the Louisiana
26 Department of Health as a result of sanctions imposed upon the Medicaid
27 managed care plans or funds recouped by the attorney general, or both, shall
28 be deposited into the Medical Assistance Programs Fraud Detection Fund, as
29 established in R.S. 46:440.1.

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

DIGEST

SB 507 Original

2018 Regular Session

Mills

Proposed law provides that a Medicaid managed care organization shall be liable to a provider for payment of claims to the provider when the provider followed instructions of the managed care organization to his detriment and did not act with fault or fraudulent intent regarding enrollment, credentialing, or accreditation.

Proposed law provides that a Medicaid managed care organization shall be liable to the state for any payment to providers when the provider acts with fault or fraudulent intent regarding enrollment, credentialing, or accreditation.

Proposed law requires the managed care organization to cover the expense of reimbursement to the provider or to the state from the administrative funding allocated to the managed care organization. Proposed law requires the Louisiana Department of Health to impose monetary sanctions on the Medicaid managed care plan for the infractions established in proposed law in accordance with rules and regulations promulgated pursuant to the Administrative Procedure Act.

Proposed law gives the attorney general authority to investigate, enforce, and seek recoupment from the Medicaid managed care plans. Proposed law deposits monies received from the Medicaid managed care plans into the Medical Assistance Programs Fraud Detection Fund.

Effective August 1, 2018.

(Adds R.S. 46:460.72)