The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Christopher D. Adams.

CONFERENCE COMMITTEE REPORT DIGEST

Senate Bill No. 185 by Senator Murray

Keyword and summary of the bill as proposed by the Conference Committee

HEALTH CARE. Provides relative to Medicaid and certain managed health care organizations providing health care services to Medicaid beneficiaries. (1/1/14)

Report adopts House amendments to:

1. Add 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. Add 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. Delete 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.

Report rejects House amendments which would have:

1. Deleted provision requiring managed care organizations, beginning Jan. 1, 2014, to utilize a single-page prior authorization form issued by DHH. Added 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.

2. Added 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.

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

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

5. Deleted 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.

6. Deleted 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.

7. Added 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.

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

9. Made technical changes.

Report amends the bill to:

1. Delete the provisions for the prepaid coordinated care network pharmaceutical and therapeutic committees, prescription drug authorization, and step therapy.

2. Provide for an effective date of January 1, 2014.

Digest of the bill as proposed by the Conference Committee

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 an effective date of January 1, 2014.

Effective January 1, 2014.

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