

PROPOSED AMENDMENT

HB 1414 # 6

DIGEST

Managed care. Provides that a managed care organization may not deny any provider willing and qualified to meet the terms and conditions of an agreement to provide services under the risk based managed care program for Medicaid recipients who are eligible to participate in the Medicare program and receive nursing facility services or home and community based services the right to enter into an agreement. Allows a managed care organization and a Medicaid provider to enter into a value based health care reimbursement agreement in writing (rather than mutually agreeing in writing) providing for a reimbursement rate that is different (rather than less) than an established reimbursement rate for that service. Defines "value based health care reimbursement agreement". Prohibits a managed care organization from imposing a different rate or payment methodology through a notice of contract change to a provider. Requires a managed care organization to notify the office of the secretary of family and social services if the managed care organization and a provider enter into a value based health care reimbursement agreement.

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- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 12-7-2-196.7 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2024]: **Sec. 196.7. (a) "Value based health
6 care reimbursement agreement", for purposes of IC 12-15, may
7 include the following:**
8 **(1) An accountable care organization that has a contract with
9 a managed care organization in which the managed care
10 organization:**
11 **(A) does not assume risk for prior authorization to a
12 provider organization; or**
13 **(B) delegates risk to a provider organization to manage
14 prior authorization.**
15 **(2) Bundled payments.**
16 **(3) Case rate.**
17 **(4) A capitated rate reimbursement arrangement.**
18 **(5) A pay for performance arrangement.**
19 **(6) Any other health care reimbursement arrangement in
20 which the health care provider accepts at most ten percent**

- 1 **(10%) of the downside risk.**
- 2 **(b) The term does not include any of the following:**
- 3 **(1) Narrow networks.**
- 4 **(2) Fixed fee schedules.**
- 5 **(3) A supplemental payment for the original rate or payment**
- 6 **methodology."**

7 Page 1, line 17, delete "mutually" and insert "**enter into a value**

8 **based health care reimbursement agreement in writing providing**

9 **for".**

10 Page 2, line 1, delete "agree in writing to".

11 Page 2, line 2, delete "less" and insert "**different**".

12 Page 2, line 3, after "service." insert "**However, a managed care**

13 **organization may not impose a different rate or payment**

14 **methodology through a notice of contract change to a provider."**

15 Page 2, between lines 3 and 4, begin a new paragraph and insert:

16 "**(c) If a managed care organization and a provider enter into a**

17 **value based health care reimbursement agreement under**

18 **subsection (b), the managed care organization shall notify the**

19 **office of the secretary.**

20 SECTION 3. IC 12-15-12-12.5 IS ADDED TO THE INDIANA

21 CODE AS A NEW SECTION TO READ AS FOLLOWS

22 [EFFECTIVE JULY 1, 2024]: **Sec. 12.5. (a) This section applies to a**

23 **risk based managed care program that provides services to**

24 **Medicaid recipients who are eligible to:**

25 **(1) participate in the Medicare program (42 U.S.C. 1395 et**

26 **seq.); and**

27 **(2) receive:**

28 **(A) nursing facility services; or**

29 **(B) home and community based services.**

30 **(b) This subsection applies to a contract entered into, amended,**

31 **or renewed after June 30, 2024. A managed care organization may**

32 **not deny any provider willing and qualified to meet the terms and**

33 **conditions of an agreement to provide services under the risk based**

34 **managed care program the right to enter into an agreement."**

35 Page 3, line 14, delete "both mutually" and insert "**enter into a**

36 **value based health care reimbursement agreement in writing**

37 **providing for".**

38 Page 3, line 15, delete "agree in writing to".

39 Page 3, line 15, after "methodology." insert "**However, a managed**

40 **care organization may not impose a different rate or payment**

- 1 methodology through a notice of contract change to a provider.".
- 2 Page 3, between lines 15 and 16, begin a new paragraph and insert:
- 3 **"(e) If a managed care organization and a provider enter into a**
- 4 **value based health care reimbursement agreement under**
- 5 **subsection (d), the managed care organization shall notify the**
- 6 **office of the secretary."**
- 7 Page 3, line 16, strike "(e)" and insert "(f)".
- 8 Page 3, line 20, strike "(f)" and insert "(g)".
- 9 Page 4, line 5, delete "both mutually agree in writing to" and insert
- 10 **"enter into a value based health care reimbursement agreement in**
- 11 **writing providing for".**
- 12 Page 4, line 6, after "methodology." insert **"However, a managed**
- 13 **care organization may not impose a different rate or payment**
- 14 **methodology through a notice of contract change to a provider."**
- 15 Page 4, between lines 6 and 7, begin a new paragraph and insert:
- 16 **"(d) If a managed care organization and a provider enter into a**
- 17 **value based health care reimbursement agreement under**
- 18 **subsection (c), the managed care organization shall notify the office**
- 19 **of the secretary."**
- 20 Page 4, line 7, strike "(d)" and insert "(e)".
- 21 Page 4, line 13, strike "(e)" and insert "(f)".
- 22 Page 4, line 42, delete "both mutually agree in writing to" and insert
- 23 **"enter into a value based health care reimbursement agreement in**
- 24 **writing providing for".**
- 25 Page 5, line 1, after "methodology." insert **"However, a managed**
- 26 **care organization may not impose a different rate or payment**
- 27 **methodology through a notice of contract change to a provider."**
- 28 Page 5, between lines 3 and 4, begin a new paragraph and insert:
- 29 **"(d) If a managed care organization and a provider enter into a**
- 30 **value based health care reimbursement agreement under**
- 31 **subsection (c), the managed care organization shall notify the office**
- 32 **of the secretary."**
- 33 Page 5, line 13, delete "both mutually agree in writing" and insert
- 34 **"enter into a value based health care reimbursement agreement in**
- 35 **writing providing for".**
- 36 Page 5, line 14, delete "to".
- 37 Page 5, between lines 16 and 17, begin a new line blocked left and
- 38 insert:
- 39 **"A managed care organization may not impose a different rate or**
- 40 **payment methodology through under subdivision (2) a notice of**

1 **contract change to a provider."**

2 Page 5, after line 21, begin a new paragraph and insert:

3 **"(c) If a managed care organization and a provider enter into a**
4 **value based health care reimbursement agreement under**
5 **subsection (a)(2), the managed care organization shall notify the**
6 **office of the secretary."**

7 Renumber all SECTIONS consecutively.
(Reference is to HB 1414 as introduced.)