

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 895

Introduced by Walz, 15.

Read first time January 07, 2022

Committee:

- 1 A BILL FOR AN ACT relating to the Medical Assistance Act; to amend
- 2 section 68-901, Revised Statutes Supplement, 2021; to provide
- 3 requirements and limits on the use of prior authorizations by
- 4 managed care organizations; to harmonize provisions; to repeal the
- 5 original section; and to declare an emergency.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-901, Revised Statutes Supplement, 2021, is
2 amended to read:

3 68-901 Sections 68-901 to 68-9,101 and section 2 of this act shall
4 be known and may be cited as the Medical Assistance Act.

5 Sec. 2. (1) A managed care organization that implements an
6 automated prior authorization system shall use evidence-based clinical
7 guidelines consistent with professional association standards to program
8 that system. Any algorithms used, including research citations and
9 references to the most recent revisions shall be made available for
10 download on the managed care organization's provider website.

11 (2) A managed care organization that implements an automated prior
12 authorization system shall ensure that a health care professional of the
13 same discipline or specialty makes the decision to deny or modify
14 requests for authorization based on medical necessity.

15 (3) A managed care organization shall not require prior
16 authorization for the initial twelve treatment sessions of new episodes
17 of care for chiropractic, physical therapy, occupational therapy, or
18 speech-language pathology services. An episode of care shall be defined
19 for purposes of this section as a period of time, in calendar days, from
20 the first day the patient is under the care of the clinician for the
21 current condition being treated until the last day of service for that
22 discipline.

23 (4) A managed care organization shall issue payment for all clean
24 claims within fifteen business days of the date of receipt.

25 (5) For purposes of this section, prior authorization is a decision
26 made by a managed care organization that a health care service, treatment
27 plan, prescription drug, or durable medical equipment is medically
28 necessary.

29 (6) Standard authorization decisions may not exceed forty-eight
30 hours following receipt of the request for service by the clinician.

31 (7) A managed care organization shall implement an expedited review

1 process when medical necessity warrants an immediate response.

2 Sec. 3. Original section 68-901, Revised Statutes Supplement, 2021,
3 is repealed.

4 Sec. 4. Since an emergency exists, this act takes effect when
5 passed and approved according to law.