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FILED FEB 13 1996

SENATE FILE 2178  
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SF 2005)

Passed Senate, Date <sup>(p.653)</sup> 3/6/96 Passed House, Date \_\_\_\_\_  
Vote: Ayes 49 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the inclusion of a performance evaluation  
2 component in contracts providing managed care services under  
3 the medical assistance program.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 2178

S-5075

1 Amend Senate File 2178 as follows:  
2 1. Page 1, line 6, by inserting after the word  
3 "contract." the following: "Additionally, any  
4 contract to provide managed care services under the  
5 medical assistance program which was entered into  
6 prior to July 1, 1996, shall require the performance  
7 of a program evaluation to be performed prior to  
8 extension or renewal of the contract."

*3/6/96 adopted (p.653)* BY MARY NEUHAUSER

S-5075 FILED FEBRUARY 15, 1996

S.F. 2178

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1 Section 1. NEW SECTION. 249A.28 MANAGED CARE SERVICES --  
2 AUDIT.

3 Any contract entered into on or after July 1, 1996, to  
4 provide managed care services under the medical assistance  
5 program shall require the performance of a program evaluation  
6 to be performed prior to the completion date of the contract.  
7 The evaluation shall be performed by an independent entity and  
8 shall include, but is not limited to, an evaluation of the  
9 financial solvency of the contractor, an evaluation of  
10 consumer and provider satisfaction with the contracted  
11 services, and an evaluation of the outcomes achieved through  
12 performance of the contract.

13 EXPLANATION

14 This bill provides that any contract entered into on or  
15 after July 1, 1996, to provide managed care services under the  
16 medical assistance program is to require the performance of a  
17 program evaluation. The evaluation is to be performed by an  
18 independent entity prior to the completion date of the  
19 contract and is to include at a minimum an evaluation of the  
20 financial solvency of the contractor, an evaluation of  
21 consumer and provider satisfaction with the contracted  
22 services, and an evaluation of the outcomes achieved through  
23 performance of the contract.

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SENATE FILE 2178  
FISCAL NOTE

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A fiscal note for Senate File 2178 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2178 would require a program evaluation be performed for any managed care contract entered into under the Medical Assistance Program on or after July 1, 1996.

Fiscal Effect:

Although no specific cost estimate is available, the estimated FY 1996 cost of the Mental Health Access Plan independent evaluation was \$75,000 in General Funds and \$75,000 in federal funds, for a total estimated cost of \$150,000.

Sources:

Office of the Auditor of State  
Department of Human Services budget documents

(LSB 3159sv, LCS)

FILED FEBRUARY 14, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR



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