

Senate File 420 - Introduced

SENATE FILE 420

BY R. SMITH

A BILL FOR

1 An Act relating to processes and assistance under the Medicaid
2 program.

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

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DIVISION I

MEDICAID PRIOR AUTHORIZATION

Section 1. MEDICAID — PRIOR AUTHORIZATION UNIFORM

PROCESS. The department of human services shall adopt rules pursuant to chapter 17A to require, and shall contractually require, that both managed care and fee-for-service payment and delivery systems utilize a uniform process, including but not limited to uniform forms, information requirements, and time frames, to request prior authorization under the Medicaid program.

DIVISION II

MEDICAID PROGRAM OMBUDSMAN

Sec. 2. NEW SECTION. **2C.6A Assistant for Medicaid program.**

1. The ombudsman shall appoint an assistant who shall be primarily responsible for investigating complaints relating to the Medicaid program, including both Medicaid fee-for-service and managed care payment and delivery systems, and all Medicaid populations including the long-term services and supports population.

2. The ombudsman shall provide assistance and advocacy services to Medicaid recipients and the families or legal representatives of Medicaid recipients. Such assistance and advocacy shall include but is not limited to all of the following:

a. Assisting recipients in understanding the services, coverage, and access provisions and their rights under the Medicaid program.

b. Developing procedures for the tracking and reporting of the outcomes of individual requests for assistance, the procedures available for obtaining services, and other aspects of the services provided to Medicaid recipients.

c. Providing advice and assistance relating to the preparation and filing of complaints, grievances, and appeals of complaints or grievances, including through processes available under managed care plans and the state appeals

1 process under the Medicaid program.

2 3. The ombudsman shall adopt rules to administer this
3 section.

4 4. The ombudsman shall publish special reports and
5 investigative reports as deemed necessary and shall include
6 findings and recommendations related to the assistance and
7 advocacy provided under this section in the ombudsman's annual
8 report.

9 5. The ombudsman and the department of human services
10 shall collaborate to develop a cost allocation plan requesting
11 Medicaid administrative funding to provide for the claiming of
12 federal financial participation for ombudsman activities that
13 are performed to assist with the administration of the Medicaid
14 program. The cost allocation plan shall document the costs
15 that directly benefit the Medicaid program and are consistent
16 with federal requirements. The cost allocation plan shall be
17 developed in a timely manner to allow for such claiming to
18 begin by January 1, 2020.

19 Sec. 3. REPEAL. Section 231.44, Code 2019, is repealed.

20 DIVISION III

21 MEDICAID MANAGED CARE — EXTERNAL REVIEW OF PROVIDER-DENIED
22 CLAIMS

23 Sec. 4. MEDICAID MANAGED CARE — EXTERNAL REVIEW OF
24 PROVIDER-DENIED CLAIMS.

25 1. The department of human services shall contractually
26 require a Medicaid managed care organization to utilize an
27 external review process in accordance with rules adopted by
28 the department pursuant to chapter 17A. The external review
29 process shall provide for review by an independent third party
30 of a Medicaid provider's claims denied by the Medicaid managed
31 care organization and following a final adverse determination
32 of the managed care organization's internal appeal process.

33 2. The external review process shall provide for all of the
34 following:

35 a. A request for an external review shall automatically

1 extend the deadline to file an appeal for a contested case
2 hearing under chapter 17A, pending the outcome of the external
3 review, until thirty calendar days following receipt of the
4 final decision by the Medicaid provider.

5 b. Upon receipt of a request from a Medicaid provider for
6 external review, the department shall assign the review to
7 an external independent third-party reviewer, and notify the
8 applicable Medicaid managed care organization and the Medicaid
9 provider of the identity of the external reviewer.

10 c. Within fifteen calendar days of notification of a
11 Medicaid provider's request for external review, the managed
12 care organization shall submit to the external reviewer all
13 documentation submitted by the Medicaid provider in the course
14 of the internal appeal process.

15 d. Within thirty calendar days of receiving all
16 documentation from the applicable Medicaid managed care
17 organization submitted by the Medicaid provider in the course
18 of the internal appeal process, the external reviewer shall
19 issue a final decision to the Medicaid provider, the applicable
20 Medicaid managed care organization, and the department. The
21 reviewer may extend the time to issue a final decision by
22 fourteen calendar days upon agreement of all parties to the
23 review.

24 e. A party may appeal a final decision of the external
25 reviewer in a contested case proceeding in accordance with
26 chapter 17A within thirty calendar days from receipt of the
27 final decision by the Medicaid provider. A final decision in a
28 contested case proceeding is subject to judicial review.

29 3. The department shall enter into a contract with a review
30 organization that does not have a conflict of interest with
31 the department or any managed care organization to conduct the
32 independent third-party reviews under this section.

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EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 Division I of this bill requires the department of human
2 services (DHS) to adopt administrative rules to require,
3 and to contractually require, that both managed care and
4 fee-for-service payment and delivery systems utilize a
5 uniform process, including but not limited to uniform forms,
6 information requirements, and time frames, to request prior
7 authorization under the Medicaid program.

8 Division II of the bill directs the ombudsman to appoint an
9 assistant who shall be primarily responsible for investigating
10 complaints relating to the Medicaid program, including both
11 the Medicaid managed care and fee-for-service payment and
12 delivery systems, and all Medicaid populations including the
13 long-term services and supports population. The division
14 specifies the minimum areas of assistance and advocacy to be
15 provided, directs the ombudsman to adopt administrative rules
16 for administration of the division, and directs the ombudsman
17 to publish special reports and investigative reports as deemed
18 necessary, and to include findings and recommendations related
19 to the Medicaid program assistance and advocacy provided under
20 the division in the ombudsman's annual report.

21 The division also repeals the section of the Code that
22 directs the office of long-term care ombudsman to provide
23 assistance and advocacy services to members of the Medicaid
24 long-term services and supports population since under the
25 division, the ombudsman will provide assistance and advocacy
26 for both Medicaid managed care and fee-for-service payment
27 and delivery systems and for all populations including the
28 long-term services and supports population.

29 The division also requires the ombudsman and DHS to
30 collaborate to develop a cost allocation plan, consistent
31 with federal requirements, requesting Medicaid administrative
32 funding to provide for the claiming of federal financial
33 participation, by January 1, 2020, for ombudsman activities
34 that are performed to assist with administration of the
35 Medicaid program.

1 Division III of the bill requires DHS to contractually
2 require a Medicaid managed care organization (MCO) to utilize
3 an external review process in accordance with administrative
4 rules adopted by DHS, to provide for a review by an independent
5 third-party reviewer of a Medicaid provider's claims denied by
6 an MCO and following a final adverse determination of the MCO's
7 internal appeal process. The bill specifies what the external
8 review process, at a minimum, shall provide for, and directs
9 DHS to enter into a contract with a review organization that
10 does not have a conflict of interest with DHS or any MCO to
11 conduct the independent third-party reviews under the bill.