



882812

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/06/2011	.	
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The Committee on Budget Subcommittee on Health and Human Services Appropriations (Garcia) recommended the following:

Senate Amendment (with title amendment)

Delete lines 3774 - 3799
and insert:

(2) The agency shall establish and the qualified plans shall use a uniform method for annually reporting premium revenue, medical and administrative costs, and income or losses across all state Medicaid prepaid plan lines of business in all regions. The reports are due to the agency within 270 days after the conclusion of the reporting period, and the agency may audit the reports. Achieved savings rebates are due within 30 days after the report is submitted.



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13 (a) Except as provided in paragraph (b), the achieved
14 savings rebate is established by determining pretax income as a
15 percentage of revenues and applying the following income sharing
16 ratios:

17 1. One hundred percent of income up to and including 5
18 percent of revenue shall be retained by the plan.

19 2. Fifty percent of income above 5 percent and up to 10
20 percent shall be retained by the plan, with the other 50 percent
21 refunded to the state.

22 3. One hundred percent of income above 10 percent of
23 revenue shall be refunded to the state.

24 (b) A plan that meets or exceeds agency defined quality
25 measures in the reporting period may retain an additional 1
26 percent of revenue.

27 (c) The following expenses may not be included in
28 calculating income to the plan:

29 1. Payment of achieved savings rebates.

30 2. Any financial incentive payments made to the plan
31 outside of the capitation rate.

32 3. Any financial disincentive payments levied by the state
33 or federal governments.

34 4. Expenses associated with lobbying activities.

35 5. Administrative, reinsurance, and outstanding claims
36 expenses in excess of actuarially sound maximum amounts set by
37 the agency.

38 (d) Qualified plans that incur a loss in the first contract
39 year may apply the full amount of the loss as an offset to
40 income in the second contract year.

41 (e) If, after an audit or other reconciliation, the agency



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42 determines that a qualified plan owes an additional rebate, the
43 plan has 30 days after notification to make payment. Upon
44 failure to timely pay the rebate, the agency shall withhold
45 future payments to the plan until the entire amount is recouped.
46 If the agency determines that a plan has made an overpayment,
47 the agency shall return the overpayment within 30 days.

48
49 ===== T I T L E A M E N D M E N T =====

50 And the title is amended as follows:

51 Delete lines 183 - 185

52 and insert:

53 providing for achieved savings rebates; authorizing
54 plans to limit