

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Jones offered the following:

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3 **Amendment (with title amendment)**

4 Between lines 724 and 725, insert:

5 (4) MEDICAL LOSS RATIO FOR HEALTH PLANS.-An entity that
6 contracts with the agency on a prepaid or fixed-sum basis for
7 the provision of Medicaid services shall spend between 80
8 percent and 85 percent of the Medicaid capitation revenue for
9 direct health services to enrollees. The plan is authorized to
10 spend up to 17 percent of the Medicaid capitation revenue on
11 costs other than direct health services, including, but not
12 limited to, profit, salaries, bonuses, administration, and
13 operating expenses. Administration and operating expenses
14 include costs incurred by the entity and its subcontractors for
15 prospective, concurrent, and retrospective utilization
16 management, pharmacy benefit management, network development,

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17 and any other costs other than direct reimbursement to
18 providers. The agency shall adopt rules to administer this
19 subsection, including but not limited to, sanctions for
20 violations of this requirement. Any fines collected shall be
21 used to supplement the agency's Medicaid budget.
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25 **T I T L E A M E N D M E N T**

26 Remove line 50 and insert:

27 the agency to return prepaid plan overpayments; providing
28 for a medical loss ratio for health plans for entities
29 that contract with the agency on a prepaid or fixed-sum
30 basis; requiring the agency to adopt rules; providing for
31 collection of fines; creating