

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Bates, Kruse, Morrisette, Morse, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Robert Shook, Administrator
Meeting Dates:	4/28

WHAT THE MEASURE DOES: Requires prepaid managed care health services organization to reimburse community health center of safety net clinic for costs of services provided by center or clinic to enrollee of organization, provided the contractual terms, credentialing provisions, and reimbursement rates are agreed upon by both parties. Authorizes the Department of Human Services to adopt standards by rule for contractual terms.

ISSUES DISCUSSED:

- Contracts with community health clinics
- Reimbursement rates for community health clinics
- Size and scope of safety-net clinics
- Current statutes related to contracts between safety-net clinics and managed care organizations

EFFECT OF COMMITTEE AMENDMENT: Requires agreement by the community health center on contractual terms, credentialing provision, and reimbursement rates prior to payment by prepaid managed care organizations. Authorizes Department of Human Services to adopt standards by rule for contracts entered into between community health clinics and prepaid managed care organizations.

BACKGROUND: Health care professionals who are willing to provide care to the uninsured and underserved are often referred to as the health care safety net. It consists of a mix of people and institutions, including hospital emergency departments, public hospitals, community health centers, free clinics, and private physicians' offices, among others. Financing for the health care safety net is equally varied and reflects a range of funding sources, including: federal, state, and local expenditures through Medicaid, including the disproportionate share hospital program; federal community health center grants; and philanthropic contributions.

The federal Health Centers Consolidation Act of 1996 combined community, migrant, homeless, and public housing under Section 330 of the Public Health Service Act to create the consolidated health centers program. To receive Section 330 grant funds a community health clinic must meet several criteria: be located in a federally-designated, medically-underserved area; have a non-profit status; provide a comprehensive primary health care service that includes access to care, case management, translation, and transportation; have a governing board whose majority members are patients of the health center; and provide services to all regardless of ability to pay.

Many plans do effectively seek out and contract with safety-net providers, but others do not. The success of these contracting relationships varies by locality, clinic type and plan. When safety-net clinics are not paid for services to Medicaid populations, they lose a valuable source of revenue and their sustainability is at risk.

Senate Bill 914-A requires prepaid managed care organizations to reimburse community health centers and/or safety net clinics for the cost of the covered services to an enrollee of the prepaid managed care organization

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This summary has not been adopted or officially endorsed by action of the committee.