

1 AN ACT relating to disclosure of Medicaid managed care organizations' payment  
2 schedules to the Medicaid Oversight and Advisory Committee.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 304.17A-527 is amended to read as follows:

5 (1) A managed care plan shall file with the commissioner sample copies of any  
6 agreements it enters into with providers for the provision of health care services.

7 The commissioner shall promulgate administrative regulations prescribing the  
8 manner and form of the filings required. The agreements shall include the  
9 following:

10 (a) A hold harmless clause that states that the provider may not, under any  
11 circumstance, including:

12 1. Nonpayment of moneys due the providers by the managed care plan,

13 2. Insolvency of the managed care plan, or

14 3. Breach of the agreement,

15 bill, charge, collect a deposit, seek compensation, remuneration, or  
16 reimbursement from, or have any recourse against the subscriber, dependent  
17 of subscriber, enrollee, or any persons acting on their behalf, for services  
18 provided in accordance with the provider agreement. This provision shall not  
19 prohibit collection of deductible amounts, copayment amounts, coinsurance  
20 amounts, and amounts for noncovered services;

21 (b) A continuity of care clause that states that if an agreement between the  
22 provider and the managed care plan is terminated for any reason, other than a  
23 quality of care issue or fraud, the insurer shall continue to provide services  
24 and the plan shall continue to reimburse the provider in accordance with the  
25 agreement until the subscriber, dependent of the subscriber, or the enrollee is  
26 discharged from an inpatient facility, or the active course of treatment is  
27 completed, whichever time is greater, and in the case of a pregnant woman,

- 1 services shall continue to be provided through the end of the post-partum  
2 period if the pregnant woman is in her fourth or later month of pregnancy at  
3 the time the agreement is terminated;
- 4 (c) A survivorship clause that states the hold harmless clause and continuity of  
5 care clause shall survive the termination of the agreement between the  
6 provider and the managed care plan;
- 7 (d) A clause stating that the insurer issuing a managed care plan will, upon  
8 request of a participating provider, provide or make available to a  
9 participating provider, when contracting or renewing an existing contract with  
10 such provider, the payment or fee schedules or other information sufficient to  
11 enable the provider to determine the manner and amount of payments under  
12 the contract for the provider's services prior to the final execution or renewal  
13 of the contract and shall provide any change in such schedules at least ninety  
14 (90) days prior to the effective date of the amendment pursuant to KRS  
15 304.17A-577; and
- 16 (e) A clause requiring that if a provider enters into any subcontract agreement  
17 with another provider to provide their licensed health care services to the  
18 subscriber, dependent of the subscriber, or enrollee of a managed care plan  
19 where the subcontracted provider will bill the managed care plan or subscriber  
20 or enrollee directly for the subcontracted services, the subcontract agreement  
21 must meet all requirements of this subtitle and that all such subcontract  
22 agreements shall be filed with the commissioner in accordance with this  
23 subsection.
- 24 (2) An insurer that offers a health benefit plan that enters into any risk-sharing  
25 arrangement or subcontract agreement shall file a copy of the arrangement with the  
26 commissioner. The insurer shall also file the following information regarding the  
27 risk-sharing arrangement:

- 1 (a) The number of enrollees affected by the risk-sharing arrangement;
- 2 (b) The health care services to be provided to an enrollee under the risk-sharing  
3 arrangement;
- 4 (c) The nature of the financial risk to be shared between the insurer and entity or  
5 provider, including but not limited to the method of compensation;
- 6 (d) Any administrative functions delegated by the insurer to the entity or provider.  
7 The insurer shall describe a plan to ensure that the entity or provider will  
8 comply with KRS 304.17A-500 to 304.17A-590 in exercising any delegated  
9 administrative functions; and
- 10 (e) The insurer's oversight and compliance plan regarding the standards and  
11 method of review.
- 12 (3) *A Medicaid managed care organization contracted to provide Medicaid services*  
13 *to Medicaid beneficiaries within the Commonwealth of Kentucky shall, on a*  
14 *quarterly basis and for the purpose of review, provide to the Medicaid Oversight*  
15 *and Advisory Committee all payment schedules utilized to reimburse health care*  
16 *providers with which the managed care organization has maintained a*  
17 *contractual relationship for the previous three (3) months.*
- 18 (4) Nothing in this section shall be construed as requiring an insurer to submit the  
19 actual financial information agreed to between the insurer and the entity or provider,  
20 *except as provided in subsection (3) of this section.* The commissioner shall have  
21 access to a specific risk sharing arrangement with an entity or provider upon request  
22 to the insurer. Financial information obtained by the department shall be considered  
23 to be a trade secret and shall not be subject to KRS ~~61.870~~[61.872] to 61.884.