

HB 741 -- Medical Assistance Benefit Payments

Co-Sponsors: Bearden, Jetton, Wright, Reinhart, Portwood

This bill revises provisions pertaining to benefit payments under the Medicaid Program and provisions pertaining to the Pharmacy Tax.

MEDICAID BENEFITS

The bill requires the following to be subject to appropriations and contingent upon available moneys: (1) benefit payments for medical assistance not mandated by federal law; (2) medical assistance benefits available for federal matching dollars; and (3) state-funded Medicaid benefits. Resources available must be documented by appropriated moneys contained in an appropriations bill signed by the Governor. The resources available can be subject to withholdings imposed by the Governor. If the Department of Social Services is bound by federally mandated requirements, the department and its divisions will not be required to file a notice of proposed rulemaking.

In addition, the bill:

(1) Requires that Medicaid benefits be administered within appropriations provided. This provision does not require or authorize a reduction in provider fees;

(2) Allows the department to reduce expenditures in response to withholdings by the Governor. A reduction in provider fees is exempt from this provision;

(3) Allows the department to establish prior authorizations for services based on emergency rules if services and payments are reduced to comply with available state moneys;

(4) Allows the department to not grant a hearing if a change to a program is made resulting in a reduction of services and payments in order to conform with available state moneys;

(5) Removes payments for dental services under the Medicaid Program and limits benefits to one pair of glasses following cataract surgery;

(6) Requires prescription and non-prescription drugs and administering devices that are covered under the Medicaid Program to be prescribed by a licensed health care professional and subject to safety and effectiveness provisions of Sections 505 or 507 of the federal Food and Drug Cosmetic Act;

(7) Authorizes the Division of Medical Services to require Medicaid recipients to pay part of the charge or costs of all covered services;

(8) Requires the division to define by rule, reasonable costs, quality, quantity, and charges for medical assistance on a basis ensuring the greatest amount of medical care consistent with moneys available;

(9) Requires the department and its divisions to reduce payment for covered benefits on a pro-rata basis during the final six months of a fiscal year as based on the consensus budget estimates and first quarter actual receipts;

(10) Allows the department and its divisions to not grant a hearing if a change is made in a program, subject to law. The change is conditioned on modifying services or payments based on available moneys; and

(11) Requires benefit payments for Medicaid to be made for persons who would have been eligible for general relief benefits as defined on June 30, 2003.

PHARMACY TAX

The bill makes the following changes to the Pharmacy Tax:

(1) The effective date of the Pharmacy Tax is changed from July 1, 2002, to July 1, 2003;

(2) The Department of Social Services can adjust the pharmacy tax rate quarterly, on a prospective basis;

(3) The tax will expire 90 days after stated conditions are met. The director of the department is required to notify the Revisor of Statutes of the expiration date if the conditions are met. If the conditions are not met, the tax will expire on June 30, 2005; and

(4) Certain statutes pertaining to the tax are repealed.