

## **Transportation and Telecommunications Committee**

### **LB 460**

**February 14, 2017**

#### **Calder Lynch**

**Director, Division of Medicaid and Long-Term Care**

**Department of Health and Human Services**

Good afternoon, Senator Friesen, and members of the Transportation and Telecommunication Committee. My name is Calder Lynch (C-A-L-D-E-R L-Y-N-C-H) and I am the Director of the Division of Medicaid and Long Term Care in the Department of Health and Human Services (DHHS). I am here to testify in support of LB 460. I want to thank Senator Smith for introducing this bill and working with the Department to bring forth this legislation, which was drafted in consultation with staff from the Public Service Commission to create a better regulatory framework for Medicaid non-emergency transportation (NET) services in Nebraska. Specifically, LB 460 would clarify and maintain the Public Service Commission's oversight responsibilities by requiring that NET providers be permitted by the PSC as contract carriers while allowing additional flexibility to improve access to NET services and better integrate them into our overall delivery system.

As a Medicaid benefit, NET services are subject to federal regulation under the Centers for Medicare and Medicaid Services (CMS), state oversight under DHHS, and additional state regulation under the PSC. While this is intended to provide greater consumer protections to our state's residents, it has led to a sometimes confusing patchwork of regulatory requirements that are not always in alignment. LB 460 will improve the delivery of NET services that are provided to the state's most vulnerable population by giving the department the ability to require that NET providers maintain an active contract carrier permit. The providers still would have to meet the requirements of certification and maintain that permit with PSC to offer NET services. However, the contract carrier permit will allow the Division of Medicaid and Long-Term Care additional flexibility to manage reimbursement and the routes of these carriers and determine the need for services in the different areas of the state. This will enhance our ability to improve access to NET services in underserved parts of the state.

The bill would also make it clear that the state is allowed to incorporate NET services into our new integrated Medicaid managed care program, Heritage Health. Our health plans are contractually obligated and financially incentivized to ensure that members can access needed services, particularly preventive and primary care services. This means they have a vested interest in ensuring their members can make it to their appointments or pick up their medication from the pharmacy. Including these transportation benefits as part of Heritage Health will help complete the continuum of care for our members, and improve our ability to provide whole-person care management.

I would like to thank members of the PSC for their assistance in drafting this legislation. We remain committed to working with the Commission on the implementation of this bill as we work to improve our joint oversight of these transportation services.

Thank you for the opportunity to testify before you today. We believe LB 460 will help DHHS continue in our mission of helping people live better lives. I ask the Committee to advance LB 460 to General File. I'm happy to answer any questions you may have.