

Banking, Commerce and Insurance Committee
LB 817
February 9, 2016

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Department of Health and Human Services

Good morning, Senator Scheer and members of the Banking, Commerce and Insurance committee. My name is Calder Lynch, (C-A-L-D-E-R L-Y-N-C-H). I am the Director of the Medicaid and Long-Term Care Division of the Department of Health and Human Services. I am here to testify in support of LB 817. Thank you, Senator Riepe, for introducing this bill. LB 817 is an important step that will enhance health care quality for Nebraskans.

LB 817 will allow primary care practitioners to enter into a direct agreement with a patient or a patient representative to provide primary care services. Under direct primary care agreements, providers do not bill insurance for covered services and only provide the services in the amount and scope detailed in the agreement between the provider and the patient. This allows patients to develop meaningful relationships with their physicians.

Specifically to Medicaid, this bill allows managed care organizations to enter into direct primary care agreements, subject to approval by the federal government. Beginning January 1, 2017, Nebraska will launch "Heritage Health," a new managed care program through which two to three Medicaid managed care plans will provide a full range of integrated services including physical health, behavioral health, and pharmacy services. The Department is planning to announce the contract awards later this month. Value-based contracting agreements, like direct primary care agreements, are anticipated and will be encouraged through Heritage Health.

Thank you for the opportunity to testify. I look forward to future conversations with this Committee as we work together to improve medical care for our State's most vulnerable populations. We believe this bill will assist in DHHS's mission of helping people live better lives.

I'm happy to answer any questions you may have.