

Health and Human Services Committee
LB 869
February 18, 2016

Calder A. Lynch, Director
Division of Medicaid and Long-Term Care
Department of Health and Human Services

Good afternoon, Senator Crawford and members of the Health and Human Services 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 in the Department of Health and Human Services. Today, I am here to testify in support of LB 869. Thank you, Senator Crawford for introducing this important bill, that will make sure Nebraska Medicaid complies with federal law and help prevent fraud and abuse in our state's Medicaid program.

LB 869 requires high-risk Nebraska Medicaid providers and persons with a five (5) percent or more ownership stake in those providers submit fingerprints for nationwide criminal background checks to the Nebraska State Patrol. The State Patrol will submit these fingerprints to the FBI to complete the nationwide criminal background checks. The results will be given to Nebraska Medicaid and if the providers do not pass the background check, they may no longer be able to serve or may be denied as Medicaid providers.

This legislation is necessary because new Medicaid provider screening and enrollment requirements in federal law (42 CFR 455 Subpart E) require that states complete fingerprint-based criminal background checks on high-risk providers and their owners. If Nebraska does not comply with these requirements, it puts federal financial participation in our Medicaid program at risk. While this is required by federal law, it also serves to prevent high-risk providers for fraud from enrolling as providers in the Nebraska Medicaid program and it helps protect the health and safety of Medicaid clients.

This legislation permits DHHS to deny a provider's participation in Nebraska Medicaid if the results find criminal history. Providers will have the opportunity to appeal the Department's determinations.

Thank you for the opportunity to provide testimony regarding LB 869, this bill will help to strengthen and protect Nebraska Medicaid and help Nebraskans live better lives. I'm happy to answer any questions you may have.