



851150

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/15/2011	.	
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The Committee on Budget (Negron and Sobel) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 3771 - 3813  
and insert:

(2) The agency shall implement the following thresholds and consequences of various spending patterns for qualified plans under the managed medical assistance component of the Medicaid managed care program:

(a) The minimum medical loss ratio shall be 90 percent.

(b) A plan and its subcontractors that spend less than 90 percent of the plan's Medicaid capitation revenue on medical services and direct care management, as determined by the



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13 agency, must pay back to the agency a share of the dollar  
14 difference between the plan's actual medical loss ratio and the  
15 minimum medical loss ratio, as follows:

16 1. If the plan's actual medical loss ratio is not lower  
17 than 87 percent, the plan must pay back 50 percent of the dollar  
18 difference between the actual medical loss ratio and the minimum  
19 medical loss ratio of 90 percent.

20 2. If the plan's actual medical loss ratio is lower than 87  
21 percent, the plan must pay back 50 percent of the dollar  
22 difference between a medical loss ratio of 87 percent and the  
23 minimum medical loss ratio of 90 percent, plus 100 percent of  
24 the dollar difference between the actual medical loss ratio and  
25 a medical loss ratio of 87 percent.

26 (c) To administer this subsection, the agency shall adopt  
27 rules that specify a methodology for calculating medical loss  
28 ratios and the requirements for plans to annually report  
29 information related to medical loss ratios. Repayments required  
30 by this subsection must be made annually.

31  
32 ===== T I T L E A M E N D M E N T =====

33 And the title is amended as follows:

34 Delete line 183

35 and insert:

36 establishing a medical loss ratio; requiring that a  
37 plan pay back to the agency a specified amount in  
38 specified circumstances; authorizing