



SENATE BILL 681: Agency Policy Directives/2019-2020, Sec. 4D.5: LME/MCO Intergovernmental Transfer

2019-2020 General Assembly

Committee:		Date:	November 6, 2020
Introduced by:		Prepared by:	Jessica Boney Staff Attorney
Analysis of:	Sec. 4D.5 of S.L. 2020-78		

OVERVIEW: Section 4D.5 of S.L. 2020-78 directs each local management entity/managed care organization (LME/MCO) to contribute a specified amount through intergovernmental transfer in the aggregate amount of \$18,028,217 to the Division of Health Benefits (DHB).

DHB shall have the authority to reallocate the amount of the intergovernmental transfer that each affected LME/MCO is required to make in the event any county disengages from an LME/MCO and realigns with another LME/MCO during the 2019-2021 fiscal biennium, provided the aggregate amount received from all LME/MCOs in each year of the fiscal biennium is achieved.

If, in any given month, DHB does not make the additional capitated payment associated with the Medicaid risk reserve to an LME/MCO, then the LME/MCO's intergovernmental transfer shall be reduced on a pro rate basis and the aggregate amount to be collected adjusted for the corresponding fiscal year.

This section became effective July 1, 2020.

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