

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 527

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO PUBLIC ASSISTANCE; AMENDING CHAPTER 2, TITLE 56, IDAHO CODE,
2 BY THE ADDITION OF A NEW SECTION 56-209q, IDAHO CODE, TO PROVIDE THAT
3 THE DEPARTMENT OF HEALTH AND WELFARE SHALL USE TECHNOLOGICAL TOOLS TO
4 INVESTIGATE, AUDIT AND CONTROL FRAUD IN MEDICAID AND PUBLIC ASSISTANCE
5 PROGRAMS, TO PROVIDE FOR ACTIVITIES TO REDUCE FRAUD, WASTE AND ABUSE,
6 TO PROVIDE RULEMAKING AUTHORITY, TO AUTHORIZE THE DEPARTMENT TO UTILIZE
7 FEDERAL FUNDING WHEN AVAILABLE AND TO PROVIDE FOR ANNUAL REPORTING BY
8 THE DEPARTMENT; AND PROVIDING SEVERABILITY.
9

10 Be It Enacted by the Legislature of the State of Idaho:

11 SECTION 1. That Chapter 2, Title 56, Idaho Code, be, and the same is
12 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
13 ignated as Section 56-209q, Idaho Code, and to read as follows:

14 56-209q. ACTIVITIES TO ABATE PUBLIC ASSISTANCE FRAUD. (1) Notwith-
15 standing any other provision of law, the department of health and welfare
16 shall adopt technological tools to investigate, audit and control fraud,
17 waste and abuse in medicaid and other public assistance programs adminis-
18 tered by the department. The department shall comply with all provisions
19 of antifraud rules for medicaid under the patient protection and affordable
20 care act (PPACA), P.L. 111-148. The department shall retain the maximum
21 amount of loss recovery allowed by the federal government.

22 (2) In accordance with applicable federal laws, the department shall
23 institute activities that include, but are not limited to, the following:

24 (a) Screening, audit, investigative and data collection techniques for
25 cost-effective fraud detection including analytics, data modeling or
26 statistical profiling to detect program fraud or overpayment;

27 (b) Data system enhancements to use the medicaid management informa-
28 tion systems (MMIS) data elements and any other public assistance sys-
29 tems to identify fraud, waste and abuse;

30 (c) Use of the national correct coding initiative (NCCI) to minimize
31 improper service coding errors;

32 (d) A recovery audit contractor (RAC) to identify and recover overpay-
33 ments, provider audits and claim reviews and establish contractor com-
34 pensation to be paid on a contingency fee basis from the recovery; and

35 (e) The department may use cost/benefit analysis in deciding whether to
36 implement a reward program for the reporting of medicaid and any other
37 public assistance fraud. If the department establishes a reward pro-
38 gram, it shall inform the public about the existence of the program and
39 the means by which citizens may participate.

40 (3) The department shall have authority to promulgate rules to imple-
41 ment the provisions of this section.

1 (4) The department shall utilize, when available, federal funding to
2 implement the provisions of this section that includes, but is not limited
3 to, enhanced federal funding for medicaid eligibility determination, pur-
4 suant to sections 1903(a) (3) and 1903(r) of the social security act.

5 (5) The department shall report annually to the germane legislative
6 committees on fraud prevention efforts for all public assistance programs
7 administered by the department.

8 SECTION 2. SEVERABILITY. The provisions of this act are hereby declared
9 to be severable and if any provision of this act or the application of such
10 provision to any person or circumstance is declared invalid for any reason,
11 such declaration shall not affect the validity of the remaining portions of
12 this act.