IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 527

BY HEALTH AND WELFARE COMMITTEE

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

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

SECTION 1. That Chapter 2, Title 56, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 56-209q, Idaho Code, and to read as follows:

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

- (2) In accordance with applicable federal laws, the department shall institute activities that include, but are not limited to, the following:
 - (a) Screening, audit, investigative and data collection techniques for cost-effective fraud detection including analytics, data modeling or statistical profiling to detect program fraud or overpayment;
 - (b) Data system enhancements to use the medicaid management information systems (MMIS) data elements and any other public assistance systems to identify fraud, waste and abuse;
 - (c) Use of the national correct coding initiative (NCCI) to minimize improper service coding errors;
 - (d) A recovery audit contractor (RAC) to identify and recover overpayments, provider audits and claim reviews and establish contractor compensation to be paid on a contingency fee basis from the recovery; and
 - (e) The department may use cost/benefit analysis in deciding whether to implement a reward program for the reporting of medicaid and any other public assistance fraud. If the department establishes a reward program, it shall inform the public about the existence of the program and the means by which citizens may participate.
- (3) The department shall have authority to promulgate rules to implement the provisions of this section.

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

- (5) The department shall report annually to the germane legislative committees on fraud prevention efforts for all public assistance programs administered by the department.
- SECTION 2. SEVERABILITY. The provisions of this act are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of the remaining portions of this act.