February 8, 2019

HOUSE BILL No. 1308

DIGEST OF HB 1308 (Updated February 6, 2019 6:47 pm - DI 77)

Citations Affected: IC 12-7; IC 12-15.

Synopsis: Medicaid recovery audits. Sets forth requirements for Medicaid recovery audits of Medicaid providers.

Effective: July 1, 2019.

Bacon

January 14, 2019, read first time and referred to Committee on Public Health.
February 7, 2019, amended, reported — Do Pass.

February 8, 2019

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1308

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 12-7-2-134, AS AMENDED BY P.L.87-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 134."Office" means the following:

(1) Except as provided in subdivisions (2) through (7), the office of Medicaid policy and planning established by IC 12-8-6.5-1.

(2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.

(3) For purposes of IC 12-15-5-14, the meaning set forth in IC 12-15-5-14(b).

(4) For purposes of IC 12-15-5-15, the meaning set forth in IC 12-15-5-15(b).

(5) For purposes of IC 12-15-5-16, the meaning set forth in IC 12-15-5-16(b).

(6) For purposes of IC 12-15-13, the meaning set forth in IC 12-15-13-0.4.

(7) For purposes of IC 12-15-13.5, the meaning set forth in IC 12-15-13.5-1.

~~(7)~~ **(8)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-4.

SECTION 2. IC 12-15-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]:

Chapter 13.5. Medicaid Recovery Audits

Sec. 1. As used in this chapter, "office" includes the following:

(1) The office of the secretary of family and social services.

(2) A managed care organization that has contracted with the office of Medicaid policy and planning under this article.

Sec. 2. (a) The office shall contract with a recovery auditing entity to ensure the integrity of the Medicaid program.

(b) A contract with a recovery auditing entity must include the following services:

(1) Review of claims submitted by providers or other individuals furnishing items and services for payment by the Medicaid program to determine whether overpayment or underpayment occurred.

(2) Recovery of identified overpayments and payment to providers of identified underpayments.

Sec. 3. (a) The entity that contracts with the office under this chapter shall do the following when conducting a recovery audit:

(1) Subject to subdivision (2), for audits initiated after June 30, 2019, the audit look back period must be three (3) years and one hundred-eighty (180) days.

(2) If the office discovers information that may indicate a credible allegation of fraud, abusive billing practices, or a claims process error rate greater than thirty percent (30%), the office may increase the audit look back period to a total of seven (7) years.

Sec. 4. The auditing entity, in conjunction with the office, shall perform educational and training programs annually for providers that include the following:

(1) A summary of the auditing entity's past or previous audit findings that provide guidance to Medicaid providers.

(2) The most common errors or issues and how a provider can avoid these errors and issues.

(3) Recommended practices for providers on improving claim submissions.

Sec. 5. (a) Before December 1, 2019, the office shall develop a study of Medicaid audits for health providers to determine if opportunities exist for consolidation of audits to reduce

administrative burden and unnecessary provider audit costs. The office shall submit the report in an electronic format under IC 5-14-6 to the legislative services agency.

(b) This section expires December 31, 2019.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1308, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 23 through 42, begin a new line block indented and insert:

"**(1) Subject to subdivision (2), for audits initiated after June 30, 2019, the audit look back period must be three (3) years and one hundred-eighty (180) days.**

(2) If the office discovers information that may indicate a credible allegation of fraud, abusive billing practices, or a claims process error rate greater than thirty percent (30%), the office may increase the audit look back period to a total of seven (7) years.".

Delete pages 3 through 4

Page 5, delete lines 1 through 2.

Page 5, line 3, delete "8." and insert "**4.**".

Page 5, line 12, delete "9." and insert "**5.**".

and when so amended that said bill do pass.

(Reference is to HB 1308 as introduced.)

KIRCHHOFER

Committee Vote: yeas 12, nays 0.