

MEDICAID INSPECTOR GENERAL AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ryan D. Wilcox

Senate Sponsor: _____

LONG TITLE

General Description:

This bill moves the Office of Inspector General of Medicaid Services from the Governor's Office of Planning and Budget into the State Auditor's Office.

Highlighted Provisions:

This bill:

- ▶ places the Office of Inspector General of Medicaid Services in the State Auditor's Office;
- ▶ permits the state auditor to appoint the inspector general of Medicaid services; and
- ▶ requires the inspector general of Medicaid services to make recommendations to the Legislature and the governor.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

63J-4a-201, as enacted by Laws of Utah 2011, Chapter 151

63J-4a-202, as enacted by Laws of Utah 2011, Chapter 151

63J-4a-502, as enacted by Laws of Utah 2011, Chapter 151



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **63J-4a-201** is amended to read:

30 **63J-4a-201. Creation of office -- Inspector general of Medicaid services --**

31 **Appointment -- Term.**

32 (1) There is created, within the [~~Governor's Office of Planning and Budget~~] State
33 Auditor's Office, the Office of Inspector General of Medicaid Services.

34 (2) The [~~governor~~] state auditor shall appoint the inspector general[~~, with the advice~~
35 ~~and consent of the Senate~~] of Medicaid services.

36 (3) A person appointed as the inspector general of Medicaid services shall:

37 (a) be a certified public accountant or a certified internal auditor; and

38 (b) have the following qualifications:

39 (i) a general knowledge of the type of methodology and controls necessary to audit,
40 investigate, and identify fraud, waste, and abuse;

41 (ii) strong management skills;

42 (iii) extensive knowledge of, and at least seven years experience with, performance
43 audit methodology;

44 (iv) the ability to oversee and execute an audit; and

45 (v) strong interpersonal skills.

46 [~~(4) The inspector general:~~]

47 [~~(a) shall serve a term of two years; and~~]

48 [~~(b) may be removed by the governor, for cause.~~]

49 [~~(5) If the inspector general is removed for cause, a new inspector general shall be~~
50 ~~appointed, with the advice and consent of the Senate, to serve a two-year term.~~]

51 Section 2. Section **63J-4a-202** is amended to read:

52 **63J-4a-202. Duties and powers of the inspector general of Medicaid services and**
53 **office.**

54 (1) The inspector general of Medicaid services shall:

55 (a) administer, direct, and manage the office;

56 (b) inspect and monitor the following in relation to the state Medicaid program:

57 (i) the use and expenditure of federal and state funds;

58 (ii) the provision of health benefits and other services;

- 59 (iii) implementation of, and compliance with, state and federal requirements; and
- 60 (iv) records and recordkeeping procedures;
- 61 (c) receive reports of potential fraud, waste, or abuse in the state Medicaid program;
- 62 (d) investigate and identify potential or actual fraud, waste, or abuse in the state
- 63 Medicaid program;
- 64 (e) consult with the Centers for Medicaid and Medicare Services and other states to
- 65 determine and implement best practices for discovering and eliminating fraud, waste, and
- 66 abuse of Medicaid funds;
- 67 (f) obtain, develop, and utilize computer algorithms to identify fraud, waste, or abuse
- 68 in the state Medicaid program;
- 69 (g) work closely with the fraud unit to identify and recover improperly or fraudulently
- 70 expended Medicaid funds;
- 71 (h) audit, inspect, and evaluate the functioning of the division to ensure that the state
- 72 Medicaid program is managed in the most efficient and cost-effective manner possible;
- 73 (i) regularly advise the department and the division of an action that should be taken to
- 74 ensure that the state Medicaid program is managed in the most efficient and cost-effective
- 75 manner possible;
- 76 (j) refer potential criminal conduct, relating to Medicaid funds or the state Medicaid
- 77 program, to the fraud unit;
- 78 (k) determine ways to:
- 79 (i) identify, prevent, and reduce fraud, waste, and abuse in the state Medicaid program;
- 80 and
- 81 (ii) recoup costs, reduce costs, and avoid or minimize increased costs of the state
- 82 Medicaid program;
- 83 (l) seek recovery of improperly paid Medicaid funds;
- 84 (m) track recovery of Medicaid funds by the state;
- 85 (n) in accordance with Section [~~63J-4a-501~~] 63J-4a-502:
- 86 (i) report on the actions and findings of the inspector general; and
- 87 (ii) make recommendations to the Legislature and the governor;
- 88 (o) provide training to agencies and employees on identifying potential fraud, waste, or
- 89 abuse of Medicaid funds; and

90 (p) develop and implement principles and standards for the fulfillment of the duties of
91 the inspector general, based on principles and standards used by:

- 92 (i) the Federal Offices of Inspector General;
- 93 (ii) the Association of Inspectors General; and
- 94 (iii) the United States Government Accountability Office.

95 (2) The office may conduct a performance or financial audit of:

96 (a) a state executive branch entity or a local government entity, including an entity
97 described in Subsection 63J-4a-301(3), that:

- 98 (i) manages or oversees a state Medicaid program; or
- 99 (ii) manages or oversees the use or expenditure of state or federal Medicaid funds; or
- 100 (b) Medicaid funds received by a person by a grant from, or under contract with, a state
101 executive branch entity or a local government entity.

102 (3) The inspector general of Medicaid services, or a designee of the inspector general
103 of Medicaid services within the office, may take a sworn statement or administer an oath.

104 Section 3. Section **63J-4a-502** is amended to read:

105 **63J-4a-502. Report and recommendations to governor and Executive**
106 **Appropriations Committee.**

107 (1) The inspector general of Medicaid services shall, on an annual basis, prepare a
108 written report on the activities of the office for the preceding fiscal year.

109 (2) The report shall include:

110 (a) non-identifying information, including statistical information, on:

- 111 (i) the items described in Subsection 63J-4a-202(1)(b) and Section 63J-4a-204;
- 112 (ii) action taken by the office and the result of that action;
- 113 (iii) fraud, waste, and abuse in the state Medicaid program;
- 114 (iv) the recovery of fraudulent or improper use of state and federal Medicaid funds;
- 115 (v) measures taken by the state to discover and reduce fraud, waste, and abuse in the
116 state Medicaid program;

117 (vi) audits conducted by the office; and

118 (vii) investigations conducted by the office and the results of those investigations;

119 (b) recommendations on action that should be taken by the Legislature or the governor

120 to:

- 121 (i) improve the discovery and reduction of fraud, waste, and abuse in the state
- 122 Medicaid program;
- 123 (ii) improve the recovery of fraudulently or improperly used Medicaid funds; and
- 124 (iii) reduce costs and avoid or minimize increased costs in the state Medicaid program;
- 125 (c) recommendations relating to rules, policies, or procedures of a state or local
- 126 government entity; and
- 127 (d) services provided by the state Medicaid program that exceed industry standards.
- 128 (3) The report described in Subsection (1) may not include any information that would
- 129 interfere with or jeopardize an ongoing criminal investigation or other investigation.
- 130 (4) ~~[The]~~ On or before October 1 of each year, the inspector general of Medicaid
- 131 services shall provide the report described in Subsection (1) to the Executive Appropriations
- 132 Committee of the Legislature and to the governor ~~[on or before October 1 of each year]~~.
- 133 (5) The inspector general of Medicaid services shall present the report described in
- 134 Subsection (1) to the Executive Appropriations Committee of the Legislature before November
- 135 30 of each year.

Section 4. **Effective date.**

137 If approved by two-thirds of all the members elected to each house, this bill takes effect

138 upon approval by the governor, or the day following the constitutional time limit of Utah

139 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,

140 the date of veto override.

Legislative Review Note
as of 2-1-13 9:38 AM

Office of Legislative Research and General Counsel