

HOUSE BILL 1329

J1

3lr1638

By: **Delegates Hixson, Barve, Carr, Cullison, Feldman, Lee, Luedtke, A. Miller, Mizeur, and S. Robinson**

Introduced and read first time: February 8, 2013

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Assistance Programs – Fraud and Abuse Prevention**

3 FOR the purpose of requiring the Department of Health and Mental Hygiene to
4 implement certain prepayment systems to prevent fraud and abuse in the
5 payment of claims for the Maryland Medical Assistance Program and the
6 Maryland Children’s Health Program; requiring the Department to use certain
7 information to refine and enhance a certain system; declaring the intent of the
8 General Assembly; defining a certain term; and generally relating to fraud and
9 abuse prevention in medical assistance programs.

10 BY repealing and reenacting, without amendments,
11 Article – Health – General
12 Section 15–101(a) and (h)
13 Annotated Code of Maryland
14 (2009 Replacement Volume and 2012 Supplement)

15 BY adding to
16 Article – Health – General
17 Section 15–1001 through 15–1004 to be under the new subtitle “Subtitle 10.
18 Fraud and Abuse Prevention”
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2012 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article – Health – General**

24 15–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this title the following words have the meanings indicated.

2 (h) "Program" means the Maryland Medical Assistance Program.

3 **SUBTITLE 10. FRAUD AND ABUSE PREVENTION.**

4 **15-1001.**

5 **IN THIS SUBTITLE, "MCHP" MEANS THE MARYLAND CHILDREN'S**
6 **HEALTH PROGRAM ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE.**

7 **15-1002.**

8 **IT IS THE INTENT OF THE GENERAL ASSEMBLY TO IMPLEMENT**
9 **PREPAYMENT PREVENTION AND RECOVERY SOLUTIONS TO REDUCE FRAUD,**
10 **WASTE, AND ABUSE IN THE PROGRAM AND MCHP.**

11 **15-1003.**

12 **THE DEPARTMENT SHALL IMPLEMENT A PREPAYMENT PROVIDER**
13 **VERIFICATION AND SCREENING SYSTEM TO:**

14 **(1) CHECK PROGRAM AND MCHP BILLING AND PROVIDER DATA**
15 **AGAINST A CONTINUOUSLY MAINTAINED PROVIDER DATABASE;**

16 **(2) PREVENT A PROGRAM OR MCHP PAYMENT FROM BEING**
17 **MADE TO A HEALTH CARE PROVIDER:**

18 **(i) WHO IS DECEASED;**

19 **(ii) WHOSE LICENSE IS SUSPENDED, REVOKED, OR**
20 **EXPIRED;**

21 **(iii) WHO IS RETIRED; OR**

22 **(iv) WHO OTHERWISE IS INELIGIBLE TO RECEIVE A**
23 **PROGRAM OR MCHP PAYMENT; AND**

24 **(3) PREVENT A PROGRAM OR MCHP PAYMENT FROM BEING**
25 **SENT TO AN INCORRECT ADDRESS.**

26 **15-1004.**

1 **(A) (1) THE DEPARTMENT SHALL IMPLEMENT A PREPAYMENT**
2 **PREDICTIVE MODELING AND ANALYTICS SYSTEM THAT:**

3 **(I) IS INTEGRATED INTO THE PROGRAM CLAIMS**
4 **WORKFLOW; AND**

5 **(II) INCLUDES ALL PROGRAM PROVIDERS, RECIPIENTS,**
6 **AND GEOGRAPHIC AREAS SERVED.**

7 **(2) THE SYSTEM IMPLEMENTED UNDER PARAGRAPH (1) OF THIS**
8 **SUBSECTION:**

9 **(I) BEFORE ANY PAYMENT IS MADE, SHALL ANALYZE**
10 **PROGRAM AND MCHP BILLING AND UTILIZATION PATTERNS AND IDENTIFY**
11 **PATTERNS THAT EXHIBIT A HIGH RISK OF FRAUDULENT ACTIVITY;**

12 **(II) SHALL PRIORITIZE CLAIMS FOR ADDITIONAL REVIEW**
13 **BEFORE PAYMENT IS MADE BASED ON THE LIKELIHOOD OF POTENTIAL WASTE,**
14 **FRAUD, OR ABUSE; AND**

15 **(III) SHALL PREVENT A PROGRAM OR MCHP PAYMENT**
16 **FROM BEING MADE IF A CLAIM HAS BEEN SELECTED FOR ADDITIONAL REVIEW**
17 **UNDER ITEM (II) OF THIS PARAGRAPH UNTIL THE ADDITIONAL REVIEW OCCURS**
18 **AND THE CLAIM IS AUTOMATICALLY VERIFIED AS VALID.**

19 **(B) THE DEPARTMENT SHALL USE INFORMATION FROM ADJUDICATED**
20 **PROGRAM AND MCHP CLAIMS TO REFINE AND ENHANCE THE PREDICTIVE**
21 **MODELING AND ANALYTICS SYSTEM IMPLEMENTED UNDER SUBSECTION (A) OF**
22 **THIS SECTION.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
24 General Assembly that:

25 (1) the State shall contract for the services necessary to implement
26 this Act;

27 (2) the savings achieved through implementation of this Act shall
28 cover the costs of the services necessary to implement this Act;

29 (3) the services used to implement this Act may be secured using a
30 percentage of achieved savings model, a per beneficiary per month model, a per
31 transaction model, a case-rate model, or any combination of these models in which the
32 State's direct costs will be funded through the actual savings achieved; and

HOUSE BILL 1329

1 (4) the model under item (3) of this section may include performance
2 guarantees of the contractor to ensure that identified savings exceed costs.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2013.