

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1611

By: Fields

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5
6 AS INTRODUCED

7 An Act relating to Medicaid; stating legislative
8 intent; directing the Oklahoma Health Care Authority
9 to implement certain technologies; directing the
10 Oklahoma Health Care Authority to implement certain
11 services; directing certain contract; exempting
12 certain contract from the Oklahoma Central Purchasing
13 Act; requiring certain access; requiring certain
14 reports; providing for codification; providing for
15 noncodification; and providing an effective date.

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. NEW LAW A new section of law not to be
18 codified in the Oklahoma Statutes reads as follows:

19 A. It is the intent of the Legislature to implement waste,
20 fraud and abuse detection, prevention, and recovery solutions to:

21 1. Improve program integrity for the state Medicaid program and
22 create efficiency and cost savings through a shift from a
23 retrospective "pay and chase" model to a prospective pre-payment
24 model; and

2. Comply with program integrity provisions of the federal
Patient Protection and Affordable Care Act and the Health Care and

1 Education Reconciliation Act of 2010 as promulgated in the Centers
2 for Medicare and Medicaid Services Final Rule 6028.

3 B. Further, it is the intent of the Legislature that the
4 savings achieved through this act shall more than cover the costs of
5 implementation. Therefore, to the extent possible, technology
6 services used in carrying out this act shall be secured using a
7 shared savings model, whereby the state's only direct cost will be a
8 percentage of actual savings achieved. Further, to enable this
9 model, a percentage of achieved savings may be used to fund
10 expenditures under this act.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 1008.1 of Title 56, unless there
13 is created a duplication in numbering, reads as follows:

14 The Oklahoma Health Care Authority shall implement provider data
15 verification and provider screening technology solutions to check
16 health care billing and provider rendering data against a
17 continually maintained provider information database for the
18 purposes of automating reviews and identifying and preventing
19 inappropriate payments to:

- 20 1. Deceased providers;
- 21 2. Sanctioned providers;
- 22 3. Providers who have retired or who have an expired license;
- 23 and
- 24 4. Confirmed wrong addresses.

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1008.2 of Title 56, unless there
3 is created a duplication in numbering, reads as follows:

4 The Oklahoma Health Care Authority shall implement state-of-the-
5 art clinical code editing technology solutions to further automate
6 claims resolution and enhance cost containment through improved
7 claim accuracy and appropriate code correction. The technology
8 shall identify and prevent errors or potential overbilling based on
9 widely accepted and transparent protocols such as those developed by
10 the American Medical Association and the Centers for Medicare and
11 Medicaid Services. The edits shall be applied automatically before
12 claims are adjudicated to speed processing and reduce the number of
13 pending or rejected claims and help ensure a smoother, more
14 consistent and more transparent adjudication process and fewer
15 delays in provider reimbursement.

16 SECTION 4. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 1008.3 of Title 56, unless there
18 is created a duplication in numbering, reads as follows:

19 The Oklahoma Health Care Authority shall implement state-of-the-
20 art predictive modeling and analytics technologies to provide a more
21 comprehensive and accurate view across all providers, beneficiaries
22 and geographies within the Medicaid program in order to:

- 23 1. Identify and analyze those billing or utilization patterns
24 that represent a high risk of fraudulent activity;

- 1 2. Be integrated into the existing Medicaid claims workflow;
- 2 3. Undertake and automate such analysis before payment is made
- 3 to minimize disruptions to the workflow and speed claim resolution;
- 4 4. Prioritize such identified transactions for additional
- 5 review before payment is made based on likelihood of potential
- 6 waste, fraud or abuse;
- 7 5. Capture outcome information from adjudicated claims to allow
- 8 for refinement and enhancement of the predictive analytics
- 9 technologies based on historical data and algorithms within the
- 10 system; and
- 11 6. Prevent the payment of claims for reimbursement that have
- 12 been identified as potentially wasteful, fraudulent, or abusive
- 13 until the claims have been automatically verified as valid.

14 SECTION 5. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1008.4 of Title 56, unless there
16 is created a duplication in numbering, reads as follows:

17 The Oklahoma Health Care Authority shall implement fraud
18 investigative services that combine retrospective claims analysis
19 and prospective waste, fraud or abuse detection techniques. These
20 services shall include analysis of historical claims data, medical
21 records, suspect provider databases, and high-risk identification
22 lists, as well as direct patient and provider interviews. Emphasis
23 shall be placed on providing education to providers and ensuring
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1 that they have the opportunity to review and correct any problems
2 identified prior to adjudication.

3 SECTION 6. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1008.5 of Title 56, unless there
5 is created a duplication in numbering, reads as follows:

6 The Oklahoma Health Care Authority shall implement Medicaid
7 claims audit and recovery services to identify improper payments due
8 to non-fraudulent issues and audit claims, obtain provider sign-off
9 on the audit results, and recover validated overpayments. Post
10 payment reviews shall ensure that the diagnoses and procedure codes
11 are accurate and valid based on the supporting physician
12 documentation within the medical records. Core categories of
13 reviews may include, but shall not be limited to, Coding Compliance
14 Diagnosis Related Group (DRG) Reviews, Transfers, Readmissions, Cost
15 Outlier Reviews, Outpatient 72-Hour Rule Reviews, Payment Errors,
16 and Billing Errors.

17 SECTION 7. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 1008.6 of Title 56, unless there
19 is created a duplication in numbering, reads as follows:

20 In order to implement the provisions of this act, the Oklahoma
21 Health Care Authority shall either contract with a national
22 government purchasing cooperative to issue a request for proposals
23 to select a contractor or use the following contractor selection
24 process:

1 1. Not later than January 1, 2013, the Oklahoma Health Care
2 Authority shall issue a request for information to seek input from
3 potential contractors on capabilities and cost structures associated
4 with the scope of work of this act. The results of the request for
5 information shall be used by the Oklahoma Health Care Authority to
6 create a formal request for proposals to be issued within ninety
7 (90) days of the closing date of the request for information;

8 2. Not later than ninety (90) days after the close of the
9 request for information, the Oklahoma Health Care authority shall
10 issue a formal request for proposals to carry out this act during
11 the first year of implementation. To the extent appropriate, the
12 Oklahoma Health Care Authority may include subsequent implementation
13 years and may issue additional requests for proposals with respect
14 to subsequent implementation years;

15 3. The Oklahoma Health Care Authority shall select contractors
16 to carry out this act using any competitive procedures required by
17 law;

18 4. The Oklahoma Health Care Authority shall enter into a
19 contract under this act with an entity only if the entity:

20 a. can demonstrate appropriate technical, analytical, and
21 clinical knowledge and experience to carry out the
22 functions included in this act, or
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1 b. has a contract, or will enter into a contract, with
2 another entity that meets the criteria specified in
3 subparagraph a of this paragraph;

4 5. The Oklahoma Health Care Authority shall enter into a
5 contract under this act with an entity only to the extent the entity
6 complies with any conflict of interest standards required by law;
7 and

8 6. Any contract entered into under this act shall be exempt
9 from the Oklahoma Central Purchasing Act.

10 SECTION 8. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 1008.7 of Title 56, unless there
12 is created a duplication in numbering, reads as follows:

13 The Oklahoma Health Care Authority shall provide entities with a
14 contract under this act with appropriate access to claims and other
15 data necessary for the entity to carry out the functions included in
16 this act. Such access shall include, but shall not be limited to,
17 providing current and historical Medicaid claims and provider
18 database information and taking necessary regulatory action to
19 facilitate appropriate public-private data sharing.

20 SECTION 9. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 1008.8 of Title 56, unless there
22 is created a duplication in numbering, reads as follows:

23 The following reports shall be completed by the Oklahoma Health
24 Care Authority:

1 1. Not later than three (3) months after the completion of the
2 first implementation year under this act, the Oklahoma Health Care
3 Authority shall submit to the President Pro Tempore of the Senate
4 and the Speaker of the House of Representatives and make available
5 to the public a report that includes the following:

- 6 a. a description of the implementation and use of
7 technologies included in this act during the year,
- 8 b. a certification by the Oklahoma Health Care Authority
9 that specifies the actual and projected savings to the
10 Medicaid program as a result of the use of these
11 technologies, including estimates of the amounts of
12 such savings with respect to both improper payments
13 recovered and improper payments avoided,
- 14 c. the actual and projected savings to the Medicaid
15 program as a result of such use of technologies
16 relative to the return on investment for the use of
17 such technologies and in comparison to other
18 strategies or technologies used to prevent and detect
19 fraud, waste and abuse,
- 20 d. any modifications or refinements that should be made
21 to increase the amount of actual or projected savings
22 or mitigate any adverse impact on Medicaid
23 beneficiaries or providers,

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- e. an analysis of the extent to which the use of these technologies successfully prevented and detected waste, fraud or abuse in the Medicaid program,
- f. a review of whether the technologies affected access to, or the quality of, items and services furnished to Medicaid beneficiaries, and
- g. a review of what effect, if any, the use of these technologies had on Medicaid providers, including assessment of provider education efforts and documentation of processes for providers to review and correct problems that are identified;

2. Not later than three (3) months after the completion of the second implementation year under this act, the Oklahoma Health Care Authority shall submit to the President Pro Tempore of the Senate and the Speaker of the House of Representatives and make available to the public a report that includes, with respect to such year, the items required under paragraph 1 of this subsection as well as any other additional items determined appropriate with respect to the report for such year; and

3. Not later than three (3) months after the completion of the third implementation year under this act, the Oklahoma Health Care Authority shall submit to the President Pro Tempore of the Senate and the Speaker of the House of Representatives and make available to the public a report that includes, with respect to such year, the

1 items required under paragraph 1 of this subsection as well as any
2 other additional items determined appropriate with respect to the
3 report for such year.

4 SECTION 10. This act shall become effective November 1, 2012.

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