

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 HOUSE BILL 1983

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5
6 AS INTRODUCED

7 An Act relating to poor persons; creating the
8 Oklahoma Reduction of Medicaid Fraud and Abuse Act of
9 2013; establishing legislative intent; defining
10 terms; providing for applicability; requiring
11 implementation of technology solutions into
12 healthcare billing; requiring implementation of
13 certain technologies in prepayment position;
14 establishing legislative intent regarding costs;
15 providing for codification; and providing an
16 effective date.

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

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 706 of Title 56, unless there is
20 created a duplication in numbering, reads as follows:

21 This act shall be known and may be cited as the "Oklahoma
22 Reduction of Medicaid Fraud and Abuse Act of 2013".

23 SECTION 2. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 707 of Title 56, unless there is
created a duplication in numbering, reads as follows:

1 The federal government has estimated that state Medicaid
2 programs pay around Eighteen Billion Dollars (\$18,000,000,000.00)
3 annually that is attributed to fraud, waste and abuse. In order to
4 reduce this fraud, waste and abuse, and save the associated state
5 tax dollars that are lost to this fraud, waste and abuse, it is the
6 intent of the Legislature to implement modern prepayment prevention
7 and recovery solutions.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 708 of Title 56, unless there is
10 created a duplication in numbering, reads as follows:

11 As used in the Oklahoma Reduction of Medicaid Fraud and Abuse
12 Act of 2013:

13 1. "Medicaid" means the program to provide grants to states for
14 medical assistance programs established under Title XIX of the
15 Social Security Act (42 U.S.C., Section 1396 et seq.).

16 2. "CHIP" means the Children's Health Insurance Program
17 established under Title XXI of the Social Security Act (42 U.S.C.,
18 Section 1397aa et seq.).

19 SECTION 4. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 56 of Title 709, unless there is
21 created a duplication in numbering, reads as follows:

22 The Oklahoma Reduction of Medicaid Fraud and Abuse Act of 2013
23 shall specifically apply to:

24 1. State Medicaid managed care programs;

2. State Medicaid programs; and
3. The state CHIP program.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 710 of Title 56, unless there is created a duplication in numbering, reads as follows:

The state shall implement provider data verification and provider screening technology solutions into the claims processing workflow to check current healthcare billing and provider rendering data against a continually maintained provider information database for the purposes of automating reviews and identifying and preventing inappropriate payments to deceased providers, sanctioned providers, license expiration or retired providers and to confirmed wrong addresses.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 711 of Title 56, unless there is created a duplication in numbering, reads as follows:

The state shall implement state of the art predictive modeling and analytics technologies in a prepayment position within the healthcare claim workflow to provide a more comprehensive and accurate view across all providers, beneficiaries and geographies within the Medicaid and CHIP programs in order to:

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

1 2. Be integrated into the existing Medicaid and Chip claims
2 workflow;

3 3. Undertake and automate such analysis before payment is made
4 to minimize disruptions to the workflow and speed claim resolution;

5 4. Prioritize such identified transactions for additional
6 review before payment is made based on likelihood of potential
7 waste, fraud or abuse;

8 5. Capture outcome information from adjudicated claims to allow
9 for refinement and enhancement of the predictive analytics
10 technologies based on historical data and algorithms within the
11 system; and

12 6. Prevent the payment of claims for reimbursement that have
13 been identified as potentially wasteful, fraudulent or abusive until
14 the claims have been automatically verified as valid.

15 SECTION 7. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 712 of Title 56, unless there is
17 created a duplication in numbering, reads as follows:

18 It is the intent of the Legislature that the state shall
19 contract for services to implement the provisions of the Oklahoma
20 Reduction of Medicaid Fraud and Abuse Act and that the savings
21 achieved shall more than cover the cost of implementation and
22 administration. Therefore, to the extent possible, technology
23 services used shall be secured by using the savings generated by the
24 Oklahoma Reduction of Medicaid Fraud and Abuse Act, whereby the

1 state's only direct cost shall be funded through the actual savings
2 achieved. Further, to enable this model, reimbursement to the
3 contractor may be contracted on the basis of a percentage of
4 achieved savings model, a per beneficiary per month model, a per
5 transaction model, a case-rate model, or any blended model of the
6 aforementioned methodologies. Reimbursement models with the
7 contractor may also include performance guarantees of the contractor
8 to ensure savings identified exceeds program costs.

9 SECTION 8. This act shall become effective November 1, 2013.

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