

2017 Regular Session

HOUSE BILL NO. 459

BY REPRESENTATIVES BACALA AND HOFFMANN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MEDICAID: Creates and provides for a task force on coordination of Medicaid fraud detection and prevention initiatives

1 AN ACT

2 To amend and reenact R.S. 46:440.1(E)(2) and to enact Subpart D-1 of Part VI-A of Chapter  
3 3 of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.  
4 46:440.4 through 440.8, relative to Medicaid fraud detection and prevention; to  
5 create a task force on coordination of Medicaid fraud detection and prevention  
6 initiatives; to provide for the membership, purposes, and duties of the task force; to  
7 authorize appropriation of monies in the Medical Assistance Programs Fraud  
8 Detection Fund for activities of the task force; to provide for a termination date; and  
9 to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 46:440.1(E)(2) and Subpart D-1 of Part VI-A of Chapter 3 of Title  
12 46 of the Louisiana Revised Statutes of 1950, comprised of R.S. 46:440.4 through 440.8, are  
13 hereby enacted to read as follows:

14 §440.1. Medical Assistance Programs Fraud Detection Fund

15 \* \* \*

16 E. The monies in the fund shall not be used to replace, displace, or supplant  
17 state general funds appropriated for the daily operation of the department or the  
18 medical assistance programs and may be appropriated by the legislature for the  
19 following purposes only:

20 \* \* \*

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.



1           (4) One member appointed by the legislative auditor who has expertise in  
2           fraud detection and prevention.

3           (5) One member of the House of Representatives appointed by the speaker  
4           of the House of Representatives.

5           (6) One member of the Senate appointed by the president of the Senate.

6           C. The task force shall include the following nonvoting advisory members  
7           who, upon request of the task force chairman, shall cooperate with and assist in the  
8           efforts of the task force:

9           (1) One advisory member appointed by the secretary of the Louisiana  
10          Department of Health.

11          (2) One advisory member appointed by the secretary of the Department of  
12          Revenue.

13          D. At the first meeting of the task force, the members of the task force shall  
14          select one eligible member to serve as chairman. Any member except a legislator  
15          shall be eligible to serve as chairman of the task force.

16          E.(1) The task force shall adopt rules of procedure and any other policies as  
17          may be necessary to facilitate the work of the group.

18          (2) The task force may form subcommittees for examination of special topics  
19          and issues within the overall subject matter of Medicaid fraud detection and  
20          prevention.

21          §440.6. Purposes of the task force

22                 The purposes of the task force shall include the following:

23                 (1) To study and evaluate on an ongoing basis the laws, rules, policies, and  
24                 processes by which the state implements Medicaid fraud detection and prevention  
25                 efforts.

26                 (2) To identify and recommend opportunities for improving coordination of  
27                 Medicaid fraud detection and prevention initiatives across state agencies and  
28                 branches of state government.

1           (3) To identify any systemic or systemwide issues of concern within the  
2           Medicaid program with respect to fraud, waste, and abuse.

3           (4) To develop recommendations for policies and procedures by which to  
4           facilitate and implement all of the following:

5           (a) Random sampling of Medicaid cases to be selected for verification of  
6           enrollee eligibility.

7           (b) Improvements in the Medicaid program integrity functions of the  
8           Louisiana Department of Health.

9           (c)(i) Optimization of data mining among state-owned data sets for purposes  
10          of Medicaid fraud detection and prevention.

11          (ii) For purposes of this Subparagraph, "data mining" means the practice of  
12          electronically sorting data through statistical modeling, intelligent technologies, and  
13          other methods in order to uncover patterns, relationships, and other indicators of  
14          actual or potential Medicaid fraud, waste, or abuse.

15          (5) To make reports to the governor and to the legislature in accordance with  
16          R.S. 46:440.7.

17          §440.7. Reporting

18           A. On or before January 1, 2018, and semiannually thereafter, the task force  
19           shall prepare and submit to the governor and the legislature a report concerning the  
20           status of Medicaid fraud detection and prevention initiatives and the status of efforts  
21           to coordinate such initiatives across state agencies and branches of state government.

22           B. At minimum, the report required by this Section shall include  
23           information, analysis, and commentary related to each purpose of the task force  
24           enumerated in R.S. 46:440.6, and may include any other information as the task  
25           force deems necessary or appropriate.

26          §440.8. Termination

27          The provisions of this Subpart shall terminate on August 1, 2018.

1 Section 2. The attorney general shall take such actions as are necessary to ensure that  
2 the task force on coordination of Medicaid fraud detection and prevention initiatives created  
3 by the provisions of Section 1 of this Act convenes on or before September 1, 2017.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 459 Engrossed

2017 Regular Session

Bacala

**Abstract:** Creates a task force on coordination of Medicaid fraud detection and prevention initiatives and provides for purposes and duties of the task force.

Proposed law creates a six-member task force on coordination of Medicaid fraud detection and prevention initiatives (hereafter, the "task force") within the office of the legislative auditor.

Proposed law authorizes appropriation by the legislature of monies in the Medical Assistance Programs Fraud Detection Fund for activities of the task force.

Proposed law provides that the task force shall be composed of the following members:

- (1) The attorney general or his designee.
- (2) One member appointed by the attorney general who has expertise in fraud detection and prevention.
- (3) The legislative auditor or his designee.
- (4) One member appointed by the legislative auditor who has expertise in fraud detection and prevention.
- (5) One member of the House of Representatives appointed by the speaker of the House of Representatives.
- (6) One member of the Senate appointed by the president of the Senate.

Proposed law provides that the task force shall include the following nonvoting advisory members, and provides that these advisory members shall cooperate with and assist in the efforts of the task force upon request of the task force chairman:

- (1) One advisory member appointed by the secretary of the La. Department of Health.
- (2) One advisory member appointed by the secretary of the Department of Revenue.

Proposed law provides that at its first meeting, the task force shall select one eligible member to serve as chairman. Provides that any member except a legislator shall be eligible to serve as chairman of the task force.

Proposed law requires the task force to adopt rules of procedure and any other policies as may be necessary to facilitate the work of the group. Authorizes the task force to form subcommittees for examination of special topics and issues within the overall subject matter of Medicaid fraud detection and prevention.

Proposed law provides that the purposes of the task force shall include the following:

- (1) To study and evaluate on an ongoing basis the laws, rules, policies, and processes by which the state implements Medicaid fraud detection and prevention efforts.
- (2) To identify and recommend opportunities for improving coordination of Medicaid fraud detection and prevention initiatives across state agencies and branches of state government.
- (3) To identify any systemic or systemwide issues of concern within the Medicaid program with respect to fraud, waste, and abuse.
- (4) To develop recommendations for policies and procedures by which to facilitate and implement all of the following:
  - (a) Random sampling of Medicaid cases to be selected for verification of enrollee eligibility.
  - (b) Improvements in the Medicaid program integrity functions of the La. Department of Health.
  - (c) Optimization of data mining among state-owned data sets for purposes of Medicaid fraud detection and prevention.
- (5) To make reports to the governor and to the legislature as provided in proposed law.

Proposed law provides that or before Jan. 1, 2018, and semiannually thereafter, the task force shall prepare and submit to the governor and the legislature a report concerning the status of Medicaid fraud detection and prevention initiatives and the status of efforts to coordinate such initiatives across state agencies and branches of state government. Provides that the report shall include information, analysis, and commentary related to each purpose of the task force enumerated in proposed law, and may include any other information as the task force deems necessary or appropriate.

Proposed law requires the attorney general to convene the task force on or before Sept. 1, 2017.

Proposed law creating and providing for the task force terminates on Aug. 1, 2018.

(Amends R.S. 46:440.1(E)(2); Adds R.S. 46:440.4-440.8)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Revise proposed law to create the task force within the office of the La. legislative auditor rather than within the office of the La. attorney general.