

2016 First Extraordinary Session

HOUSE BILL NO. 89

BY REPRESENTATIVE STOKES

FUNDS/FUNDING: Provides relative to allocation and uses of monies dedicated to the Medical Assistance Programs Fraud Detection Fund (Item #7)

1 AN ACT

2 To amend and reenact R.S. 46:440.1(C) through (E) and to enact R.S. 46:440.1(F), relative  
3 to the Medical Assistance Programs Fraud Detection Fund; to provide for allocation  
4 of monies in the fund; to allocate fund monies among the attorney general, the  
5 Department of Health and Hospitals, and the legislative auditor; to authorize certain  
6 uses of fund monies; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 46:440.1(C) through (E) are hereby amended and reenacted and R.S.  
9 46:440.1(F) is hereby enacted to read as follows:

10 §440.1. Medical Assistance Programs Fraud Detection Fund

11 \* \* \*

12 C. ~~Fifty~~ Forty-five percent of the monies collected and deposited into the  
13 fund shall be allocated to the Medicaid Fraud Control Unit within the office of the  
14 attorney general.

15 D. ~~Fifty~~ Forty-five percent of the monies collected and deposited into the  
16 fund shall be allocated to the Department of Health and Hospitals to be used solely  
17 for Medicaid fraud detection and for the purposes specified in ~~Subsection E~~  
18 Subsection F of this Section.

1           E. Ten percent of the monies collected and deposited into the fund shall be  
2           allocated to the legislative auditor to be used solely for Medicaid fraud detection and  
3           for the purposes specified in Subsection F of this Section.

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

8                   (1) To pay costs or expenses incurred by the department or the attorney  
9                   general relative to an action instituted pursuant to this Part.

10                   (2) To enhance fraud and abuse detection and prevention activities related  
11                   to the medical assistance programs.

12                   (3) To pay rewards for information concerning fraud and abuse as provided  
13                   in Subpart B of this Part.

14                   (4) To perform any of the following functions with respect to Medicaid  
15                   managed care organizations as defined in Part XIII of this Chapter:

16                           (a) Validation of claims data received by managed care organizations.

17                           (b) Analysis of claim integrity units of managed care organizations.

18                           (c) Review of actuarial assumptions and methods.

19                   ~~(4)~~ (5) To provide a source of revenue for the Medical Assistance Program  
20                   in the event of a change in federal policy which results in an increase in state  
21                   participation or a shortfall in state general fund due to a decrease in the official  
22                   forecast, as defined in R.S. 39:2(30), during a fiscal year.

23           Section 2. This Act shall become effective upon signature by the governor or, if not  
24           signed by the governor, upon expiration of the time for bills to become law without signature  
25           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
26           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
27           effective on the day following such approval.

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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 89 Original

2016 First Extraordinary Session

Stokes

**Abstract:** Provides relative to uses of monies dedicated to the Medical Assistance Programs Fraud Detection Fund and for allocation of fund monies among the attorney general, the Dept. of Health and Hospitals (DHH), and the legislative auditor.

Present law establishes the Medical Assistance Programs Fraud Detection Fund and authorizes purposes for which monies in the fund may be used. Proposed law retains present law.

Present law provides for the following allocation of monies in the fund:

- (1) 50% shall be allocated to the Medicaid Fraud Control Unit within the office of the attorney general.
- (2) 50% shall be allocated to DHH to be used solely for Medicaid fraud detection and for purposes specified in present law.

Proposed law revises present law to add the legislative auditor as an entity which may utilize monies in the fund, and to provide for the following allocation of such monies:

- (1) 45% shall be allocated to the Medicaid Fraud Control Unit within the office of the attorney general.
- (2) 45% shall be allocated to DHH to be used solely for Medicaid fraud detection and for purposes specified in present law and proposed law.
- (3) 10% shall be allocated to the legislative auditor to be used solely for Medicaid fraud detection and for purposes specified in present law and proposed law.

Present law provides that the monies in the fund shall not be used to replace, displace, or supplant state general funds appropriated for the daily operation of DHH or the Medicaid program, and may be appropriated by the legislature only for certain enumerated purposes. Proposed law retains present law, and adds performance of any of the following functions with respect to Medicaid managed care organizations as authorized uses of fund monies:

- (1) Validation of claims data received by managed care organizations.
- (2) Analysis of claim integrity units of managed care organizations.
- (3) Review of actuarial assumptions and methods.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 46:440.1(C)-(E); Adds R.S. 46:440.1(F))