

2017 Regular Session

HOUSE BILL NO. 397

BY REPRESENTATIVES EDMONDS AND IVEY

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

MEDICAID: Provides relative to the Medical Assistance Programs Fraud Detection Fund

1 AN ACT

2 To amend and reenact R.S. 46:440.1(C), (D), and (E)(introductory paragraph) and to repeal  
3 R.S. 46:440.1(E)(4), relative to the Medical Assistance Programs Fraud Detection  
4 Fund; to provide for the collection and dispersement of funds; to provide for the use  
5 of the funds; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 46:440.1(C), (D), and (E)(introductory paragraph) are hereby  
8 amended and reenacted to read as follows:

9 §440.1. Medical Assistance Programs Fraud Detection Fund

10 \* \* \*

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

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

19 E. The monies in the fund shall not be used to replace, displace, or supplant  
20 state general funds appropriated for the daily operation of the department or the

1 medical assistance programs and may be appropriated pursuant to Subsections C and  
2 D of this Section by the legislature for the following purposes only:

3 \* \* \*

4 Section 2. R.S. 46:440.1(E)(4) is hereby repealed in its entirety.

5 Section 3. This Act shall become effective on July 1, 2018.

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)]

HB 397 Engrossed

2017 Regular Session

Edmonds

**Abstract:** Provides with respect to the monies collected into the Medical Assistance Programs Fraud Detection Fund.

Present law creates the Medical Assistance Programs Fraud Detection Fund as a special fund in the state treasury.

Present law provides that monies in the fund shall not be used to replace state general funds appropriated for the daily operation of the department or the medical assistance programs.

Present law requires that the monies in the fund only be used for the following purposes:

- (1) To pay costs or expenses incurred by the department or the attorney general relative to a certain action.
- (2) To enhance fraud and abuse detection and prevention in medical assistance programs.
- (3) To pay rewards for information concerning fraud and abuse.
- (4) To provide a source of revenue for the Medical Assistance Program in the event of a change in federal policy which results in an increase in state participation or a shortfall in state general fund due to a decrease in the official forecast.

Proposed law deletes the function of the fund outlined in present law that would provide that the monies would be a source of revenue for the Medical Assistance Program in times of a budget shortfall.

Present law requires that 50% of the monies collected and deposited into the fund be allocated to the Medicaid Fraud Control Unit within the office of the attorney general and 50% of the monies collected and deposited into the fund be allocated to the La. Dept. of Health to be used solely for Medicaid fraud detection. Proposed law changes present law to require that the monies collected by the office of the attorney general be retained by the office of the attorney general and that monies collected by the La. Dept. of Health be retained by the La. Dept. of Health.

Effective July 1, 2018.

(Amends R.S. 46:440.1(C), (D), and (E)(intro. para.); Repeals R.S. 46:440.1(E)(4))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Add an effective date of July 1, 2018.