

Amendment No. 226

Assembly Amendment to Assembly Bill No. 221

(BDR S-232)

Proposed by: Assembly Committee on Health and Human Services**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	☐	Lost	☐	_____	Adopted	☐	Lost	☐	_____
Concurred In	☐	Not	☐	_____	Concurred In	☐	Not	☐	_____
Receded	☐	Not	☐	_____	Receded	☐	Not	☐	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

EWR/RBL



Date: 4/11/2013

A.B. No. 221—Requires the Director of the Department of Health and Human Services to consider measures to revise the manner in which payments are reviewed and made to providers under Medicaid and the Children's Health Insurance Program. (BDR S-232)



ASSEMBLY BILL NO. 221—ASSEMBLYMEN DONDERO LOOP,
KIRKPATRICK AND EISEN

MARCH 8, 2013

Referred to Committee on Health and Human Services

SUMMARY—Requires the Director of the Department of Health and Human Services to consider measures to revise the manner in which payments are reviewed and made to providers under Medicaid and the Children's Health Insurance Program. (BDR S-232)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public welfare; requiring the Director of the Department of Health and Human Services to issue a request for information to determine the availability, cost and appropriateness of certain measures to revise the manner in which payments are reviewed and made to providers under Medicaid and the Children's Health Insurance Program; requiring the Director to ~~enter into any appropriate contracts;~~ **submit a report of the responses to the Legislative Committee on Health Care;** and providing other matters properly related thereto.

Legislative Counsel's Digest:

Under existing law, Medicaid and the Children's Health Insurance Program are administered by the Department of Health and Human Services. (NRS 422.270) This bill requires the Director of the Department to issue a request for information to determine the availability and cost of technology, data verification and resources to assist the Department in reducing waste, fraud and abuse under Medicaid and the Children's Health Insurance Program. The request issued by the Director is specifically required to seek information on strategies for determining the validity of claims for payment for services to recipients of Medicaid or the Children's Health Insurance Program before payments are sent to reimburse providers. This bill also requires the Director to review the responses to the request for information to determine measures that may be taken to reduce waste, fraud and abuse under Medicaid and the Children's Health Insurance Program and to ~~enter into appropriate contracts to carry out those measures;~~ **submit a report of the responses to the Legislative Committee on Health Care.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** 1. On or before ~~September 1, 2013,~~ January 1, 2014, the
2 Director of the Department of Health and Human Services or his or her designee
3 shall issue a request for information to determine the availability and cost of
4 technology, data verification and resources to assist the Department in reducing
5 waste, fraud and abuse under Medicaid and the Children's Health Insurance
6 Program. The request must seek information concerning strategies for determining
7 the validity of claims for payment for services to recipients of Medicaid or the
8 Children's Health Insurance Program before such payments are sent to reimburse
9 providers.

10 2. The request issued pursuant to subsection 1 must seek information
11 concerning technology that is capable of being integrated into the existing system
12 that is used to evaluate claims for payment of services provided to recipients of
13 Medicaid and the Children's Health Insurance Program. The information must
14 inform the Department whether the technology will provide the ability for the
15 Department to make predictions about and analyze data before payments are made
16 for such claims for payment, including, without limitation, the ability to:

17 (a) Automatically analyze billing or utilization patterns by providers and
18 recipients of Medicaid and the Children's Health Insurance Program to identify
19 possible waste, fraud and abuse;

20 (b) Identify specific transactions to be subject to additional review based on the
21 likelihood of potential waste, fraud or abuse and, to the extent possible,
22 automatically identify and authorize payment for transactions that are not wasteful,
23 fraudulent or abusive;

24 (c) Prevent the payment of claims for services that have been identified as
25 potentially wasteful, fraudulent or abusive until the claims have been confirmed as
26 valid; and

27 (d) Collect and analyze information regarding the outcomes of appeals
28 conducted pursuant to NRS 422.276 regarding denials of claims for payment of
29 services to determine whether better predictions and analysis may be achieved.

30 3. The request issued pursuant to subsection 1 must seek information
31 concerning technology that is capable of verifying data regarding providers for and
32 recipients of Medicaid and the Children's Health Insurance Program using publicly
33 available records. The information must inform the Department whether such
34 technology may be used to automate the review of transactions with those programs
35 and to identify and prevent wasteful, fraudulent and abusive payments by
36 identifying:

37 (a) Associations between providers, practitioners and recipients which indicate
38 that any of those persons are acting in collusion with each other to engage in
39 fraudulent practices; and

40 (b) Potential factors that would disqualify a person from eligibility for
41 Medicaid or the Children's Health Insurance Program, which may include, without
42 limitation, death, residence outside this State, ownership of too many assets and
43 incarceration.

44 4. The request issued pursuant to subsection 1 must seek information
45 concerning other fraud investigation services that combine a retrospective analysis
46 of claims for payment of services under Medicaid and the Children's Health
47 Insurance Program and prospective detection of waste, fraud and abuse. The
48 information must inform the Department whether such services are available to:

1 (a) Analyze historical data regarding claims for payment of services and
2 medical records;

3 (b) Analyze databases of information regarding providers suspected of
4 submitting fraudulent claims for payment and of interviews with providers and
5 recipients of Medicaid and the Children's Health Insurance Program; and

6 (c) Provide an opportunity for providers to review and correct any problems
7 which are identified and place an emphasis on educating providers.

8 5. The Director shall review the responses to the request for information
9 issued pursuant to this section to determine measures that may be taken to reduce
10 waste, fraud and abuse under Medicaid and the Children's Health Insurance
11 Program by allowing determinations to be made about claims for reimbursement
12 before payments are made. The Director shall ~~enter into any appropriate contracts~~
13 ~~to carry out these measures within the existing budget of the Department or using~~
14 ~~any savings resulting from such measures. Any such measures must not delay or~~
15 ~~deny payments to providers.~~ submit a report of the responses to the Legislative
16 Committee on Health Care. The Legislative Committee on Health Care shall
17 consider the report and make any appropriate recommendations to the
18 Department, including whether the Committee supports the Department
19 entering into any contracts to carry out measures identified in the report.

20 6. As used in this section:

21 (a) "Children's Health Insurance Program" means the program established
22 pursuant to 42 U.S.C. §§ 1397aa to 1397jj, inclusive, to provide health insurance
23 for uninsured children from low-income families in this State.

24 (b) "Medicaid" means the program established pursuant to Title XIX of the
25 Social Security Act, 42 U.S.C. §§ 1396 et seq., to provide assistance for part or all
26 of the cost of medical care rendered on behalf of indigent persons.

27 (c) "Provider" means a person or governmental entity who provides services to
28 a recipient of Medicaid or the Children's Health Insurance Program for
29 remuneration.

30 **Sec. 2.** This act becomes effective on July 1, 2013.