

**ACT No. 420**

2017 Regular Session

HOUSE BILL NO. 459

BY REPRESENTATIVES BACALA AND HOFFMANN

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 \* \* \*

21 (2) To enhance fraud and abuse detection and prevention activities related  
22 to the medical assistance programs, including the activities of the task force on

1 coordination of Medicaid fraud detection and prevention initiatives established  
2 pursuant to Subpart D-1 of this Part.

3 \* \* \*

4 SUBPART D-1. COORDINATION OF FRAUD AND ABUSE

5 DETECTION AND PREVENTION INITIATIVES

6 §440.4. Legislative findings; purpose

7 A. The legislature hereby finds and declares all of the following:

8 (1) Cost containment in the medical assistance program operated pursuant  
9 to Title XIX of the Social Security Act, referred to hereafter in this Subpart as  
10 "Medicaid", is an urgent priority of this state.

11 (2) It is the policy of this state to combat and prevent fraud and abuse  
12 committed by any healthcare provider participating in the Medicaid program and by  
13 any other persons including Medicaid enrollees, and to negate the adverse effects of  
14 Medicaid fraud and abuse on the fiscal integrity and public health of this state.

15 B. The purpose of this Subpart is to create an interagency task force to  
16 coordinate existing Medicaid fraud detection and prevention efforts and to  
17 recommend means for enhancing the efficacy of those efforts.

18 §440.5. Task force on coordination of Medicaid fraud detection and prevention  
19 initiatives; creation; membership

20 A. There is hereby created within the office of the legislative auditor a task  
21 force on coordination of Medicaid fraud detection and prevention initiatives, referred  
22 to hereafter in this Subpart as the "task force".

23 B. The task force shall be composed of the following members:

24 (1) The governor or his designee.

25 (2) The attorney general or his designee.

26 (3) The legislative auditor or his designee.

27 (4) The inspector general or his designee.

28 (5) One member of the House of Representatives appointed by the speaker  
29 of the House of Representatives.

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

1                   (7) The secretary of the Louisiana Department of Health or his designee.

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

5                   (1) One advisory member appointed by the secretary of the Louisiana  
 6                   Department of Health.

7                   (2) One advisory member appointed by the secretary of the Department of  
 8                   Revenue.

9                   (3) One advisory member appointed by the governor who represents the  
 10                   medical field.

11                   (4) One advisory member appointed by the governor who represents the  
 12                   dental field.

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.

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

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

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

5                   (b) Improvements in the Medicaid program integrity functions of the  
6                   Louisiana Department of Health.

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

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

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

15                  §440.7. Reporting

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

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

24                  §440.8. Termination

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

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_