

First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

HOUSE ENROLLED ACT No. 1308

AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 12-7-2-134, AS AMENDED BY P.L.87-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 134."Office" means the following:

- (1) Except as provided in subdivisions (2) through (7), the office of Medicaid policy and planning established by IC 12-8-6.5-1.
- (2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.
- (3) For purposes of IC 12-15-5-14, the meaning set forth in IC 12-15-5-14(b).
- (4) For purposes of IC 12-15-5-15, the meaning set forth in IC 12-15-5-15(b).
- (5) For purposes of IC 12-15-5-16, the meaning set forth in IC 12-15-5-16(b).
- (6) For purposes of IC 12-15-13, the meaning set forth in IC 12-15-13-0.4.
- (7) For purposes of IC 12-15-13.5, the meaning set forth in IC 12-15-13.5-1.**
- ~~(7)~~ **(8)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-4.

SECTION 2. IC 12-15-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]:

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Chapter 13.5. Medicaid Recovery Audits

Sec. 1. As used in this chapter, "office" refers to the office of the secretary of family and social services.

Sec. 2. (a) The office and a managed care organization that has contracted with the office under this article shall perform a recovery audit to ensure the integrity of the Medicaid program.

(b) The office shall contract with a recovery auditing entity to perform the recovery audit. A contract with a recovery auditing entity must include the following services:

(1) Review of claims submitted by providers or other individuals furnishing items and services for payment by the Medicaid program to determine whether overpayment or underpayment occurred.

(2) Recovery of identified overpayments and payment to providers of identified underpayments.

(c) A managed care organization may either perform the recovery audit internally or contract with a recovery auditing entity to perform the recovery audit. A recovery audit by a managed care organization, whether performed internally or through a contract with a recovery auditing entity, must meet the requirements of subsection (b) and section 3 of this chapter.

Sec. 3. A recovery audit under this chapter must include the following:

(1) Subject to subdivision (2), for audits initiated after June 30, 2019, the audit look back period must be three (3) years and one hundred-eighty (180) days.

(2) If the office or a managed care organization discovers information that may indicate a credible allegation of fraud, abusive billing practices, or a claims process error rate greater than thirty percent (30%), the office or the managed care organization may increase the audit look back period to a total of seven (7) years.

Sec. 4. The managed care organization or the auditing entity, in conjunction with the office, shall perform educational and training programs annually for providers that include the following:

(1) A summary of the managed care organization's auditing entity's past or previous audit findings that provide guidance to Medicaid providers.

(2) The most common errors or issues and how a provider can avoid these errors and issues.

(3) Recommended practices for providers on improving claim submissions.



Sec. 5. (a) Before December 1, 2019, the office shall develop a study of Medicaid audits for health providers to determine if opportunities exist for consolidation of audits to reduce administrative burden and unnecessary provider audit costs. The office shall submit the report in an electronic format under IC 5-14-6 to the legislative services agency.

(b) This section expires December 31, 2019.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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