

SENATE FILE NO. SF0120

Correctional healthcare costs.

Sponsored by: Senator(s) Hastert, Craft and Von Flatern
and Representative(s) Barlow, Coleman,
Connolly, Filer, Harvey, Throne and
Zwonitzer, Dn.

A BILL

for

1 AN ACT relating to medical assistance and services;
2 providing for the implementation of a clinical code editing
3 system and an audit and recovery service for correctional
4 healthcare services; providing for contracts for the
5 provision of services; and providing for an effective date.

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7 *Be It Enacted by the Legislature of the State of Wyoming:*

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9 **Section 1.** W.S. 42-4-122 is created to read:

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11 **42-4-122. Correctional healthcare services.**

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13 (a) This section shall apply to:

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1 (i) State correctional healthcare systems and
2 services; and

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4 (ii) State contracted managed correctional
5 healthcare services.

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7 (b) The department of health shall implement a
8 clinical code editing system to automate claims resolution
9 and enhance cost containment through improved claim
10 accuracy and appropriate code correction. The system shall
11 identify and prevent errors or potential overbilling based
12 on widely accepted protocols. The code edits shall be
13 applied automatically before claims are adjudicated to
14 speed processing, reduce the number of pending or rejected
15 claims, ensure a consistent and open adjudication process
16 and reduce delays in provider reimbursement.

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18 (c) The department of health shall implement a
19 correctional healthcare claims audit and recovery service
20 to audit claims, identify improper payments due to
21 nonfraudulent issues, obtain provider approval on audit
22 results and recover validated overpayments. The purpose of
23 the service is to ensure that the diagnoses and procedure
24 codes are accurate and valid based on the supporting

1 physician documentation within the medical records. The
2 service may include, without limitation, the review of
3 coding compliance, transfers, readmissions, costs, payment
4 errors and billing errors.

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6 (d) The department of health shall implement an
7 automated payment detection, prevention and recovery system
8 to assure that Medicaid is billed for eligible inpatient
9 hospital and professional services.

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11 (e) The state department of health shall contract for
12 the services required under subsections (b), (c) and (d) of
13 this section. The savings achieved under this section shall
14 be used to fund any direct costs necessary to implement
15 this section. Reimbursement to the contractor may be
16 calculated on the basis of a percentage of achieved
17 savings, per beneficiary per month, per transaction, by
18 case rate or by any combination of those methodologies. The
19 reimbursement agreement may include performance guarantees
20 of the contractor to ensure that the savings achieved under
21 this section exceed the costs of the services.

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1 (f) The department of corrections shall cooperate
2 with the department of health to the extent required to
3 implement the program as specified under this section.

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5 **Section 2.** This act is effective immediately upon
6 completion of all acts necessary for a bill to become law
7 as provided by Article 4, Section 8 of the Wyoming
8 Constitution.

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(END)