

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number SB1247

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Bolling

3. Committee: Education and Health

4. Title: Medical Assistance Services; recovery of overpayment

5. Summary/Purpose: The bill clarifies certain aspects of the process for the Department of Medical Assistance Services (DMAS) in recovering overpayments from providers and the related appeals process. Under current law, DMAS is not allowed to recover overpayments to providers made more than four years prior to its “initial determination” of overpayment. In *Finnerty v. Thornton Hall, Inc.*, 42 Va. App. 628, 593 S.E.2d 568 (2004), the Virginia Court of Appeals held that the phrase “initial determination” in §32.1-325.1:1(B), Code of Virginia, means the same thing as the identical phrase in §32.1-325.1(A), Code of Virginia, and that both phrases refer to an informal fact-finding conference decision.

The bill clarifies that the phrase “initial determination” in §32.1-325.1:1(B), Code of Virginia, is the notification of overpayment and that the phrase “initial determination” in §32.1-325.1(A), Code of Virginia, is the informal fact-finding conference decision. It also clarifies when the time limitations of §32.1-325.1:1(B), Code of Virginia, begin.

6. No Fiscal Impact

7. Budget amendment necessary: No.

8. Fiscal implications: The bill has no fiscal impact on the state. It clarifies the collection of overpayment and appeal processes that enable the agency to avoid future costs related to appeals from providers concerning overpayment collections.

9. Specific agency or political subdivisions affected: Department of Medical Assistance Services.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 02/1/05 / mst

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cc: Secretary of Health and Human Resources