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HOUSE BILL NO. 1378

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Appropriations
on February 12, 2010)

(Patron Prior to Substitute—Delegate Sickles)

A BILL to require the Department of Medical Assistance Services to develop a pilot program for the use of biometric data to improve quality of care and efficiency and reduce waste, fraud, and abuse in the Commonwealth's Medicaid program.

Be it enacted by the General Assembly of Virginia:

1. § 1. That the Department of Medical Assistance Services (Department) shall examine the feasibility of a pilot program to (i) increase the quality of care provided to recipients of medical assistance services; (ii) improve the accuracy and efficiency in billing for medical assistance services by providers; (iii) reduce the potential for identity theft and the unlawful use of recipients' identifying information; and (iv) reduce waste, fraud, and abuse in the state's Medicaid program, including cases in which a recipient attempts to receive services to which he is not entitled by applying for services using false identifying information or allows other persons to use his information to obtain services for which such persons are not eligible.

§ 2. The design of such pilot program shall include (i) implementation of a system that utilizes biometric data such as fingerprints to immediately verify a recipient's identity and eligibility for services and to create, store, and use electronic records that contain information about the type, nature, and duration of services rendered to a recipient by a provider; (ii) participation by all medical assistance services recipients in at least one urban, one suburban, and one rural county of the Commonwealth, to ensure participation of a sufficient number of persons to allow for collection of meaningful data and information; (iii) distribution of necessary equipment, including biometric readers and any cards or other materials or documents, to recipients and providers at no cost by the Department; and (iv) regular monitoring and review of individual service recipients' electronic records by the Department to identify and address inaccurate charges and instances of waste, fraud, or abuse.

§ 3. The design of such pilot program shall also include provisions (i) to ensure that all devices and systems utilized as part of the pilot program comply with standards for biometric data developed by the American National Standards Institute/National Institute of Standards and Technology and all state and federal requirements relating to interoperability and information security, including all requirements of the Health Insurance Portability and Accountability Act (42 U.S.C. § 1320d et seq.); (ii) to ensure that service recipients' personal identifying, health, and other information is protected from unauthorized disclosure; (iii) for the development of procedures and guidelines for the use of biometric readers and other equipment to verify a recipient's identity and eligibility for services; (iv) to ensure that every medical assistance services provider and recipient participating in the pilot program is informed as to the purpose of the program, the processes for capturing, enrolling, and verifying biometric data, the manner in which biometric data will be used, and steps that will be taken to protect personal identifying, health, and other information from unauthorized disclosure; (v) to allow for actual demonstration of the data capture and verification processes for every medical assistance services provider and recipient participating in the pilot program; (vi) for addressing problems related to the loss, theft, or malfunction of or damage to equipment and any identifying documents or materials provided by the Department; and (vii) for development of a hotline or other means by which providers and recipients may contact the Department for assistance.

§ 4. The Department shall report to the General Assembly on the design and feasibility of the pilot program, costs of the pilot program, savings associated with the pilot program, and any other pertinent information no later than December 1, 2010.