

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB 733

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Albo

3. Committee: Passed Both Houses

4. Title: Medicaid fraud

5. Summary: The bill provides that a person will be guilty of Medicaid fraud and therefore punishable for causing certain acts, in addition to knowingly and willfully engaging in such acts. The bill also provides that the Director of the Department of Medical Assistance Services (DMAS) may elect to terminate an existing agreement or contract with a Medicaid provider for a violation of statutes setting forth the crimes constituting Medicaid fraud or any other felony, or for any other reason for which the U.S. Secretary of Health and Human Services may do the same.

The bill contains a second enactment clause that requires DMAS to investigate options for a comprehensive system that uses external records and analytic technologies to help detect fraud, waste and abuse in the Medicaid program and report their findings, including costs, to the General Assembly by December 1, 2010. A third enactment clause authorizes DMAS to promulgate regulations to implement this bill within 280 days of enactment.

The fourth enactment clause provides that in accordance with Chapter 781 of the Acts of Assembly of 2009, the Virginia Sentencing Commission assigns a minimum fiscal impact of \$50,000 to the bill because the bill may result in a net increase in periods of imprisonment or commitment.

6. Fiscal Impact estimates are: Indeterminable. SEE ITEM 8.

7. Budget Amendment Necessary: Yes, according to the Virginia Criminal Sentencing Commission's fiscal impact statement.

8. Fiscal Implications: The bill expands many of the medical assistance fraud laws to prohibit causing such fraudulent behavior to occur. According to the Virginia Criminal Sentencing Commission's fiscal impact statement, pursuant to §30-19.1:4, Code of Virginia, the estimated amount of the necessary appropriation cannot be determined for periods of imprisonment in state adult correctional facilities; therefore, Chapter 781 of the 2009 Acts of Assembly requires the Virginia Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000.

Furthermore, the bill requires DMAS to evaluate options to develop a comprehensive system for using external records search and analytic technologies for helping to detect fraud, waste and abuse in enrollment, claims and other areas of the Medicaid program. The agency is required to report to the General Assembly on the options and costs of developing such a system. The agency will be able to handle this requirement as part of its routine activities. Therefore, the bill has no fiscal impact on DMAS.

9. Specific Agency or Political Subdivisions Affected: Department of Medical Assistance Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 3/11/2010 mst

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