

# VIRGINIA ACTS OF ASSEMBLY -- 2019 SESSION

## CHAPTER 422

*An Act to amend and reenact § 32.1-319.1 of the Code of Virginia, relating to Department of Medical Assistance Services; fraud prevention.*

[H 2015]

Approved March 18, 2019

**Be it enacted by the General Assembly of Virginia:**

**1. That § 32.1-319.1 of the Code of Virginia is amended and reenacted as follows:**

**§ 32.1-319.1. Department to establish pilot program to use data analytics to mitigate risk of improper payments.**

A. The Department shall ~~establish~~ *conduct* a pilot program using ~~prepayment~~ analytics to ~~develop and implement means to~~ mitigate the risk of improper payments to providers of services ~~that are paid through the Department's fee-for-service delivery system who commit fraud, abuse, or errors. Such program~~ *furnished under the state plan for medical assistance and all applicable waivers. The pilot program* shall include the use of predictive modeling, provider profiling, trend analysis, and other ~~prepayment~~ analytics to identify providers and ~~claims~~ with a high likelihood of fraud, abuse, or error and prevent payments on potentially fraudulent *or erroneous* claims from being made until such claims have been validated.

B. The Department may enter into a contract or agreement with a vendor for the operation of the *pilot* program to mitigate *the* risk of improper payments to providers of services ~~that are paid through the Department's fee-for-service delivery system~~ *furnished under the state plan for medical assistance and all applicable waivers* required by this section. *However, selection of a vendor shall be dependent on the demonstration of a proof of concept, prior to entering into a contract or agreement.*

**2. That the Department of Medical Assistance Services shall report to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance (i) by August 1, 2019, on the Department's progress in designing and implementing the pilot program established in accordance with the provisions of this act and (ii) by February 1, 2020, on the effectiveness of the pilot program established pursuant to this act in mitigating the risk of improper payments to providers.**