

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [H 2015]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 32.1-319.1 of the Code of Virginia is amended and reenacted as follows:**8 **§ 32.1-319.1. Department to establish pilot program to use data analytics to mitigate risk of**
9 **improper payments.**

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

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

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