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HOUSE BILL NO. 2015**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Health, Welfare and Institutions
on January 17, 2019)

(Patron Prior to Substitute—Delegate Peace)

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

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 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.

HOUSE SUBSTITUTE

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