

Stricken language will be deleted and underlined language will be added.  
Act 259 of the Fiscal Session

State of Arkansas  
89th General Assembly  
Fiscal Session, 2014

As Engrossed: S3/5/14  
**A Bill**

SENATE BILL 99

By: Joint Budget Committee

**For An Act To Be Entitled**

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
AND OPERATING EXPENSES FOR THE OFFICE OF MEDICAID  
INSPECTOR GENERAL FOR THE FISCAL YEAR ENDING JUNE 30,  
2015; AND FOR OTHER PURPOSES.

**Subtitle**

AN ACT FOR THE OFFICE OF MEDICAID  
INSPECTOR GENERAL APPROPRIATION FOR THE  
2014-2015 FISCAL YEAR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established  
for the Office of Medicaid Inspector General for the 2014-2015 fiscal year,  
the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2014-2015
(1)	U124U	MEDICAID INSPECTOR GENERAL	1	\$150,000
(2)	U125U	INSPECTOR GENERAL CHIEF COUNSEL	1	\$120,000
(3)	A016C	DHS DMS BUSINESS OPERATIONS MANAGER	2	GRADE C127
(4)	L010C	DHS DMS MEDICAL ASSISTANCE MANAGER	1	GRADE C125
(5)	X200C	MEDICAID FRAUD INVESTIGATOR	2	GRADE C125
(6)	L009C	NURSE MANAGER	1	GRADE C125
(7)	G099C	DHS PROGRAM ADMINISTRATOR	2	GRADE C122



(8)	L027C REGISTERED NURSE SUPERVISOR	3	GRADE C122
(9)	M009C LICENSED CERTIFIED SOCIAL WORKER	1	GRADE C121
(10)	L038C REGISTERED NURSE	3	GRADE C120
(11)	G152C DHS PROGRAM MANAGER	1	GRADE C119
(12)	A060C SENIOR AUDITOR	4	GRADE C119
(13)	A081C AUDITOR	2	GRADE C117
(14)	G183C DHS PROGRAM COORDINATOR	1	GRADE C117
(15)	C013C MEDICAL SERVICES REPRESENTATIVE	4	GRADE C117
(16)	A084C PROGRAM/FIELD AUDIT SPECIALIST	3	GRADE C116
(17)	G210C DHS PROGRAM SPECIALIST	1	GRADE C115
(18)	L070C HEALTH CARE ANALYST	1	GRADE C113
(19)	C073C ADMINISTRATIVE SPECIALIST II	<u>2</u>	GRADE C109
	MAX. NO. OF EMPLOYEES	36	

SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for the Office of Medicaid Inspector General for the 2014-2015 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: two (2) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated, to the Office of Medicaid Inspector General, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for personal services and operating expenses of the Office of Medicaid Inspector General for the fiscal year ending June 30, 2015, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2014-2015</u>
(01) REGULAR SALARIES	\$1,713,126
(02) EXTRA HELP	151,234
(03) PERSONAL SERV MATCHING	586,380
(04) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	200,202
(B) CONF. & TRAVEL	12,612

(C) PROF. FEES	5,612
(D) CAP. OUTLAY	55,612
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$2,724,778</u></u>

*SECTION 4. APPROPRIATION - ENTERPRISE FRAUD PROGRAM. There is hereby appropriated, to the Office of Medicaid Inspector General, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for personal services and operating expenses of the Enterprise Fraud Program of the Office of Medicaid Inspector General for the fiscal year ending June 30, 2015, the following:*

<i>ITEM</i>	<i>FISCAL YEAR</i>
<u>NO.</u>	<u>2014-2015</u>
<i>(01) ENTERPRISE FRAUD PROGRAM PERSONAL SERVICES AND OPERATING EXPENSES</i>	<u>\$ 4,000,000</u>

*SECTION 5. SPECIAL LANGUAGE – CODE AMENDMENT. Arkansas Code Title 20, Chapter 77, Subchapter 25 is amended to add an additional section to read as follows:*

20-77-2513. Enterprise Fraud Program.

(a) To realize savings to the Arkansas Medicaid Program and taxpayers as soon as possible, within ninety (90) days after the effective date of this act, the Office of Medicaid Inspector General shall establish a program known as the “Enterprise Fraud Program” that is focused on fraud, waste, abuse, and improper payments within the Arkansas Medicaid Program that utilizes state-of-the-art enterprise fraud detection technology to further support the detection and prevention within the Arkansas Medicaid Program.

(b)(1) The office shall procure through a competitive bid an enterprise technology solution to detect and prevent fraud, waste, abuse, and improper payments.

(2) The enterprise technology solution shall use current industry standards to provide:

- (A) Automated detection and alerting;
- (B) Continuous monitoring of program transactions;
- (C) Identification of fraud, noncompliance, and improper

payments both prospectively and retrospectively;

(D) Detection of nontransactional fraud such as program eligibility issues and identity theft;

(E) Use of state-of-the-art analytical techniques, including without limitation:

(i) Predictive modeling;

(ii) Complex pattern analysis;

(iii) Link analysis;

(iv) Text mining; and

(v) Geospatial analysis;

(F) Feedback and self-learning capability that allow the technology to adapt to changing schemes and trends; and

(G) Demonstrated experience hosting sensitive and regulated state data.

(3) The payment for the enterprise technology solution shall be structured to provide the most economical cost to the state.

(4) The office shall begin the design phase of the procurement process upon establishment of the Enterprise Fraud Program.

(5)(A)(i) The Department of Human Services shall seek implementation funding from the Centers for Medicare and Medicaid Services as soon as possible.

(ii) If at least eighty percent (80%) of the funding required for the appropriation provided by this section is not received through federal matching funds from the Centers for Medicare and Medicaid Services, the Enterprise Fraud Program shall not be implemented.

(B) If the department applies for and receives any state, federal, or private funds to assist with the implementation and operation of the Enterprise Fraud Program, the department shall enter into a memorandum of understanding with other state agencies to share the cost of implementation as needed.

(c)(1) Beginning October 1, 2014, the office shall provide quarterly reports, or more frequent reports if requested by and of the following recipients, to:

(A) The cochairs of the Joint Performance Review Committee;

(B) The Chair of the House Committee on State Agencies and

Governmental Affairs;

(C) The Chair of the Senate Committee on State Agencies and Governmental Affairs;

(D) The Chair of the House Committee on Public Health, Welfare, and Labor; and

(E) The Chair of Senate Committee on Public Health, Welfare, and Labor.

(2) The report shall include without limitation:

(A) Beginning October 1, 2014:

(i) Comprehensive data regarding the establishment and operations of the Enterprise Fraud Program, including without limitation the progress of procuring the enterprise technology solution; and

(ii) The resources and processes of each participating state agency to investigate the leads provided by the enterprise technology solution; and

(B) Beginning July 1, 2015:

(i) Incidents, types, and amounts of fraud identified;

(ii) The amount actually recovered as a result of fraud identifications;

(iii) Expected cost avoidance through benefits not issued or denied, prepayment intervention, and future behavior change through intervention; and

(iv) Proposed procedural changes resulting from fraud identification and the timeline for implementing the procedural changes.

SECTION 6. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION 7. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 8. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2014 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2014 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2014.

*/s/ Joint Budget Committee*

**APPROVED: 03/11/2014**

