

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

1 State of Arkansas  
2 89th General Assembly  
3 Fiscal Session, 2014  
4

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

SENATE BILL 99

5 By: Joint Budget Committee  
6

7 **For An Act To Be Entitled**

8 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
9 AND OPERATING EXPENSES FOR THE OFFICE OF MEDICAID  
10 INSPECTOR GENERAL FOR THE FISCAL YEAR ENDING JUNE 30,  
11 2015; AND FOR OTHER PURPOSES.  
12  
13

14 **Subtitle**

15 AN ACT FOR THE OFFICE OF MEDICAID  
16 INSPECTOR GENERAL APPROPRIATION FOR THE  
17 2014-2015 FISCAL YEAR.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established  
23 for the Office of Medicaid Inspector General for the 2014-2015 fiscal year,  
24 the following maximum number of regular employees.  
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Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2014-2015
30	(1)	U124U MEDICAID INSPECTOR GENERAL	1	\$150,000
31	(2)	U125U INSPECTOR GENERAL CHIEF COUNSEL	1	\$120,000
32	(3)	A016C DHS DMS BUSINESS OPERATIONS MANAGER	2	GRADE C127
33	(4)	L010C DHS DMS MEDICAL ASSISTANCE MANAGER	1	GRADE C125
34	(5)	X200C MEDICAID FRAUD INVESTIGATOR	2	GRADE C125
35	(6)	L009C NURSE MANAGER	1	GRADE C125
36	(7)	G099C DHS PROGRAM ADMINISTRATOR	2	GRADE C122



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

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

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

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

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

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 6        SECTION 4. APPROPRIATION - ENTERPRISE FRAUD PROGRAM. There is hereby  
 7 appropriated, to the Office of Medicaid Inspector General, to be payable from  
 8 the paying account as determined by the Chief Fiscal Officer of the State,  
 9 for personal services and operating expenses of the Enterprise Fraud Program  
 10 of the Office of Medicaid Inspector General for the fiscal year ending June  
 11 30, 2015, the following:

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13	ITEM	FISCAL YEAR
14	<u>NO.</u>	<u>2014-2015</u>
15	(01) ENTERPRISE FRAUD PROGRAM PERSONAL SERVICES	
16	AND OPERATING EXPENSES	<u>\$ 4,000,000</u>
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18        SECTION 5. SPECIAL LANGUAGE – CODE AMENDMENT. Arkansas Code Title 20,  
 19 Chapter 77, Subchapter 25 is amended to add an additional section to read as  
 20 follows:

21        20-77-2513. Enterprise Fraud Program.

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

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

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

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

1 payments both prospectively and retrospectively;

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

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

6 (i) Predictive modeling;

7 (ii) Complex pattern analysis;

8 (iii) Link analysis;

9 (iv) Text mining; and

10 (v) Geospatial analysis;

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

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

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

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

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

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

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

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

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

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

1 Governmental Affairs;

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

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

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

8 (2) The report shall include without limitation:

9 (A) Beginning October 1, 2014:

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

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

16 (B) Beginning July 1, 2015:

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

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

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

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

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

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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**

