

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

As Engrossed: S3/13/17

# A Bill

SENATE BILL 765

5 By: Senator Irvin  
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## For An Act To Be Entitled

8 AN ACT TO HARMONIZE THE INTERPRETATION OF FEDERAL  
9 MEDICAID REGULATIONS BY THE DEPARTMENT OF HUMAN  
10 SERVICES AND THE OFFICE OF MEDICAID INSPECTOR GENERAL  
11 IN REGARDS TO PROVIDER AUDITS; TO REQUIRE THAT  
12 PROVIDERS BE NOTIFIED BEFORE MEDICAID POLICY  
13 INTERPRETATIONS ARE CHANGED; TO PROHIBIT RECOUPMENT  
14 WHEN MULTIPLE SERVICES PROVIDED DURING THE SAME  
15 ENCOUNTER ARE DOCUMENTED ON A SINGLE NOTE; AND FOR  
16 OTHER PURPOSES.

## Subtitle

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19 TO HARMONIZE THE INTERPRETATION OF  
20 FEDERAL MEDICAID REGULATIONS BY THE  
21 DEPARTMENT OF HUMAN SERVICES AND THE  
22 OFFICE OF MEDICAID INSPECTOR GENERAL IN  
23 REGARDS TO PROVIDER AUDITS.  
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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29 *SECTION 1. Arkansas Code § 20-77-2506(15), concerning the duties of*  
30 *the Medicaid Inspector General, is amended to read as follows:*

31 *(15)(A) Review and audit contracts, cost reports, claims, bills,*  
32 *and other expenditures of medical assistance program funds to determine*  
33 *compliance with applicable state laws and rules and federal laws and*  
34 *regulations and take actions authorized by state laws and rules and federal*  
35 *laws and regulations.*

36 *(B)(i) When auditing Medicaid provider claims, the*



1 Medicaid Inspector General shall not apply interpretations of the Medicaid  
2 state plan, the rules of the Department of Human Services, Medicaid provider  
3 manuals, Medicaid notices, or other guidance that are different from the  
4 interpretations applied by the department during the period of time covered  
5 by the audit.

6 (ii) If the Medicaid Inspector General believes that  
7 the department's interpretation of the Medicaid state plan, the rules of the  
8 Department of Human Services, Medicaid provider manuals, Medicaid notices, or  
9 other guidance is incorrect, the Medicaid Inspector General shall first  
10 consult with the department and the department shall notify all affected  
11 providers of any change in interpretation.

12 (C) When auditing Medicaid provider claims, the Medicaid  
13 Inspector General shall not attempt to recoup payments for services solely on  
14 the basis that the documentation for multiple services provided during a  
15 single encounter is not recorded on separate notes or records in the patient  
16 chart;

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18 /s/Irvin  
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