S T A T E O F N E W Y O R K

2799

2015-2016 Regular Sessions

I N A S S E M B L Y

January 20, 2015

Introduced by M. of A. SEPULVEDA, MONTESANO, STECK, TENNEY, ROBINSON -- Multi-Sponsored by -- M. of A. MAGEE, PERRY, RIVERA -- read once and referred to the Committee on Correction

AN ACT to amend the correction law and the social services law, in relation to the development and implementation of automated payment detection, prevention and recovery solutions to reduce correctional healthcare overpayments, and to require that private health insurance providers and Medicaid are billed for eligible inpatient hospital and professional services

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Legislative intent. Other states have saved millions of dollars by implementing solutions to eliminate and recover correctional healthcare overpayments and significantly have reduced correctional healthcare costs by billing private health insurance providers and Medicaid for eligible inpatient healthcare costs. New York can benefit by implementing similar measures. It is the intent of the legislature to implement automated payment detection, prevention and recovery solutions to reduce correctional healthcare overpayments, and to ensure that private insurance companies and Medicaid are billed for eligible inpatient hospital and professional services.

S 2. The correction law is amended by adding a new section 140-a to read as follows:

S 140-A. HEALTHCARE PAYMENTS; BILLING PRIVATE HEALTH INSURANCE AND MEDICAID. 1. UNLESS OTHERWISE STATED, THE PROVISIONS OF THIS SECTION APPLY TO ALL STATE CORRECTIONAL HEALTHCARE SYSTEMS AND SERVICES AND STATE CONTRACTED MANAGED CORRECTIONAL HEALTHCARE SERVICES.

2. THE DEPARTMENT SHALL IMPLEMENT AUTOMATED PAYMENT DETECTION, PREVENTION, AND RECOVERY PROCEDURES TO ENSURE THAT PRIVATE HEALTH INSURANCE OR MEDICAID IS BILLED FOR ELIGIBLE INPATIENT HOSPITAL AND PROFESSIONAL HEALTHCARE SERVICES. THESE PROCEDURES MUST INCLUDE, BUT ARE NOT

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD02105-01-5

LIMITED TO, CLINICAL CODE EDITING TECHNOLOGY TO FURTHER AUTOMATE CLAIMS RESOLUTION AND ENHANCE COST CONTAINMENT THROUGH IMPROVED CLAIM ACCURACY AND APPROPRIATE CODE CORRECTION. EDITS PERFORMED BY THIS TECHNOLOGY MUST BE APPLIED AUTOMATICALLY BEFORE THE ADJUDICATION OF CLAIMS, AND THIS TECHNOLOGY MUST IDENTIFY AND PREVENT ERRORS AND POTENTIAL OVERBILLING BASED ON WIDELY ACCEPTED PROTOCOLS, SUCH AS THOSE USED BY THE AMERICAN MEDICAL ASSOCIATION AND THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

3. THE DEPARTMENT SHALL IMPLEMENT CORRECTIONAL HEALTHCARE CLAIMS AUDIT AND RECOVERY PROCEDURES TO IDENTIFY IMPROPER PAYMENTS MADE DUE TO NON-FRAUDULENT ISSUES. PROCEDURES THAT MUST BE IMPLEMENTED INCLUDE, BUT ARE NOT LIMITED TO, OBTAINING PROVIDER SIGN-OFF ON AUDIT RESULTS AND CONDUCTING POST PAYMENT REVIEWS TO ENSURE THAT THE DIAGNOSES AND PROCEDURE CODES ARE ACCURATE AND VALID BASED ON SUPPORTING PHYSICIAN DOCUMENTATION WITHIN THE MEDICAL RECORDS. CORE CATEGORIES OF REVIEWS MAY INCLUDE, BUT ARE NOT LIMITED TO, CODING COMPLIANCE DIAGNOSIS RELATED GROUP (DRG) REVIEWS, TRANSFERS, READMISSIONS, COST OUTLIER REVIEWS, OUTPATIENT SEVENTY-TWO-HOUR RULE REVIEWS, PAYMENT ERRORS, AND BILLING.

4. THE DEPARTMENT MAY CONTRACT TO HAVE SERVICES PERFORMED TO CARRY OUT THE REQUIREMENTS OF THIS SECTION, AND THE SAVINGS GENERATED BY THE PERFORMANCE OF THESE SERVICES MUST BE USED FOR THE OPERATION AND ADMINISTRATION OF THIS SECTION, INCLUDING SECURING THE TECHNOLOGY SERVICES REQUIRED BY THIS SECTION. TO FURTHER ACHIEVE THESE SAVINGS, CONTRACTOR REIMBURSEMENT MAY BE BASED UPON A PERCENTAGE OF AN ACHIEVED SAVINGS MODEL, A PER BENEFICIARY PER MONTH MODEL, A PER TRANSACTION MODEL, A CASE-RATE MODEL, OR ANY COMBINATION OF THESE MODELS. CONTRACTOR REIMBURSEMENT MODELS ALSO MAY INCLUDE PERFORMANCE GUARANTEES OF THE CONTRACTOR TO ENSURE SAVINGS IDENTIFIED EXCEED PROGRAM COSTS.

S 3. The social services law is amended by adding a new section 368-g to read as follows:

S 368-G. REIMBURSEMENT OF COSTS FOR CORRECTIONAL HEALTHCARE. AFTER THE AMOUNT OF FEDERAL FUNDS, IF ANY, HAVE BEEN DEDUCTED FROM THE COST OF CORRECTIONAL HEALTHCARE, THE REMAINING AMOUNT SHALL BE PAID WHOLLY BY THE STATE.

S 4. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.