

# STATE OF NEW YORK

274

2017-2018 Regular Sessions

## IN ASSEMBLY

January 5, 2017

Introduced by M. of A. RODRIGUEZ -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to establishing the Medicaid identification and anti-fraud biometric technology pilot program; and to amend the social services law, in relation to conforming medical assistance identification with the Medicaid identification and anti-fraud biometric technology program; and making an appropriation therefor

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public health law is amended by adding a new article 2-B to read as follows:

### ARTICLE 2-B

#### MEDICAID IDENTIFICATION AND ANTI-FRAUD BIOMETRIC TECHNOLOGY PILOT PROGRAM

Section 290. Medicaid identification and anti-fraud biometric technology pilot program.

291. Definitions.

292. Biometric technology use requirement.

293. Rules and regulations.

§ 290. Medicaid identification and anti-fraud biometric technology pilot program. There is hereby established the Medicaid identification and anti-fraud biometric technology pilot program.

§ 291. Definitions. As used in this article:

1. "Biometric technology" means technology that measures and analyzes biological data, including but not limited to DNA, finger imaging, vascular patterns, eye retinas and irises, voice patterns, facial patterns and hand measurements, for authentication purposes.

2. "Biometric verification device" means a device capable of using biometric verification technology to verify the identity of a Medicaid recipient or provider.

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

LBD03946-01-7

1     § 292. Biometric technology use requirement. 1. The department, in  
2 consultation with the office of the Medicaid inspector general and the  
3 office of the attorney general, shall develop a request for proposals to  
4 implement a program authorizing the use of biometric technology for the  
5 purposes of patient and provider identification and for use as an anti-  
6 fraud application in the Medicaid program.

7     2. Such request for proposals shall include at a minimum that (a)  
8 Medicaid recipients and providers shall provide biometric proof of their  
9 identity along with other information deemed necessary by the commis-  
10 sioner.

11     (b) Such program will be capable of storing biometric markers and a  
12 log of doctor and pharmacy visits for each service billed to the Medi-  
13 caid program.

14     (c) Medicaid identification shall be issued to and accepted by the  
15 admitting staff of the health care facility.

16     (d) Medicaid recipients shall be required to provide biometric proof  
17 of identity at the time of each visit to a doctor's office or clinic at  
18 the point of actually being seen by the doctor or clinical staff, and  
19 shall again provide proof of identity upon completion of care or  
20 services.

21     (e) Provisions shall be included for emergency services or  
22 prescriptions and alternate identification methods for Medicaid recipi-  
23 ents physically or mentally unable to provide biometric identification.

24     (f) Fraud prevention markers incorporated into software which shall be  
25 used to operate the hardware component of the biometric technology shall  
26 prevent and/or reject the payment by the Medicaid program and alert the  
27 service provider at point of service if fraud or potential fraud is  
28 identified by the biometric technology system.

29     (g) Provisions shall be included to ensure that Medicaid recipients  
30 have access to emergency health services in the case of a biometric  
31 technology system malfunction or fraud detection alarm.

32     (h) Evaluation and selection of an identity credentialing system that  
33 addresses the requirements of Medicaid beneficiaries and providers shall  
34 be based on the following criteria: security, privacy, usability,  
35 performance, hygiene, biometric capture and storage requirements, and  
36 interoperability.

37     (i) Such program shall be operational within twelve months of program  
38 approval and will operate for three years.

39     3. Such request for proposals shall set forth requirements as to the  
40 results and goals to be achieved, rather than specific technical methods  
41 or systems, to allow consideration of the widest possible choice of  
42 available technology.

43     4. Such request for proposals shall require: (a) that the program  
44 shall be revenue neutral from inception, whereby any program costs are  
45 at least offset by state Medicaid savings, and shall have as a primary  
46 goal reduction of Medicaid expenditures through elimination of fraud and  
47 abuse; and (b) that the program shall be cost neutral to providers from  
48 inception, whereby any provider costs are at least offset by provider  
49 savings, and shall have as a primary goal provider savings through  
50 increased efficiencies.

51     5. (a) Such request for proposals for the implementation of a program  
52 for biometric technology use shall be published on or before January  
53 fifteenth, two thousand nineteen, and shall provide that proposals shall  
54 be opened on or before March first, two thousand nineteen.

55     (b) The commissioner shall report to the governor, the temporary pres-  
56 ident of the senate, the speaker of the assembly, and the chairs of the

1 senate and assembly health committees on or before March thirtieth, two  
2 thousand nineteen with regard to the progress made in the development of  
3 criteria for a program of biometric identification and of the implemen-  
4 tation of such program.

5 6. The commissioner shall, upon submission of satisfactory evidence  
6 of compliance with the provisions of this title, approve two Medicaid  
7 identification and anti-fraud biometric technology pilot programs, one  
8 to be located in an upstate hospital and one to be located in a down-  
9 state hospital.

10 7. Each hospital will be appropriated three hundred thousand dollars  
11 to assist in enabling the Medicaid identification and anti-fraud biome-  
12 tric technology pilot program.

13 § 293. Rules and regulations. The commissioner is authorized and  
14 directed to promulgate such rules and regulations as he or she may deem  
15 necessary or appropriate to effectuate the purposes of this article.

16 § 2. Subdivision 1 of section 367-b of the social services law, as  
17 added by chapter 639 of the laws of 1976, is amended to read as follows:

18 1. The department, in consultation with the commissioner of health,  
19 shall design and implement a statewide medical assistance information  
20 and payments system for the purpose of providing individual and aggre-  
21 gate data to social services districts to assist them in making basic  
22 management decisions, to the department and other state agencies to  
23 assist in the administration of the medical assistance program, and to  
24 the governor and the legislature as may be necessary to assist in making  
25 major administrative and policy decisions affecting such program. Such  
26 system shall be designed so as to be capable of the following:

27 a. receiving and processing information relating to the eligibility of  
28 each person applying for medical assistance and of issuing a medical  
29 assistance identification card, and when available utilizing the biome-  
30 tric identification issued by the department of health, conforming to  
31 the requirements set forth in the Medicaid identification and anti-fraud  
32 biometric technology pilot program established pursuant to article two-B  
33 of the public health law to persons determined by a social services  
34 official to be eligible for such assistance;

35 b. activating medical assistance identification by requiring an  
36 applicant receiving such identification from the department to have it  
37 verified at a social services district office in the social services  
38 district in which the applicant resides;

39 c. receiving and processing information relating to each qualified  
40 provider of medical assistance furnishing care, services or supplies for  
41 which claims for payment are made pursuant to this title;

42 ~~[e-]~~ d. receiving and processing, in a form and manner prescribed by  
43 the department, all claims for medical care, services and supplies, and  
44 making payments for valid claims to providers of medical care, services  
45 and supplies on behalf of social services districts;

46 ~~[d-]~~ e. maintaining information necessary to allow the department,  
47 consistent with the powers and duties of the department of health, to  
48 review the appropriateness, scope and duration of medical care, services  
49 and supplies provided to any eligible person pursuant to this chapter;  
50 and

51 ~~[e-]~~ f. initiating implementation of such a system for the district  
52 comprising the city of New York, in a manner compatible with expansion  
53 of such system to districts other than the district comprising the city  
54 of New York.

55 § 3. The sum of six hundred thousand dollars (\$600,000), or so much  
56 thereof as may be necessary, is hereby appropriated to the department of

1 health out of any moneys in the state treasury in the general fund to  
2 the credit of the Medicaid identification and anti-fraud biometric tech-  
3 nology pilot program, not otherwise appropriated, and made immediately  
4 available, for the purpose of carrying out the provisions of this act.  
5 Such moneys shall be payable on the audit and warrant of the comptroller  
6 on vouchers certified or approved by the department of health in the  
7 manner prescribed by law.

8 § 4. This act shall take effect immediately.