AMENDMENT

OFFERED IN THE HOUSE
TO: HB 148

BY REPRESENTATIVE VAZQUEZ

Page 2, following line 16:

Insert a new bill section to read:

"* Sec. 3. AS 47.05 is amended by adding a new section to article 2 to read:

Sec. 47.05.190. Centralized system for fraud prevention and quality control. (a) The department shall consolidate quality control and fraud prevention functions in a centralized system. The system must include procedures for

(1) coordinating efforts among divisions within the department;

(2) coordinating efforts with other departments, through memorandums of understanding if necessary, to improve fraud detection and avoid redundancies;

(3) preventing, detecting, and investigating medical assistance fraud and abuse;

(4) referring cases of medical assistance fraud to the attorney general for prosecution;

(5) recovering overpayments under AS 47.05.200(b);

(6) ensuring the efficiency of the medical assistance program;

(7) requiring a certification of cognitive ability by a qualified medical professional before authorizing medical assistance services for a recipient of home and community based services for whom a guardian, conservator, or power of attorney has been appointed because of the recipient's mental illness or disability; and

(8) coordinating investigations of reports of fraud under AS 47.24.010 and 47.24.011.

(b) The department shall prepare an annual report summarizing quality control
and fraud prevention efforts. The department shall deliver the report to the senate secretary and the clerk of the house of representatives on or before January 1 of each year and notify the legislature that the report is available.

(c) An employee of the department has a duty to report to the department any relationship that could create a conflict of interest in the course of the employee's employment or duties. The department shall, on a regular basis, notify employees of the duty under this subsection.

(d) In this section, "mental illness" has the meaning given in AS 47.30.915."

Renumber the following bill sections accordingly.

Page 2, line 22:
Delete "50"
Insert "150"

Page 3, following line 20:
Insert new bill sections to read:
"* Sec. 6. AS 47.05.200 is amended by adding a new subsection to read:
(f) At least half of the audits required under this section must be targeted audits of medical assistance providers in which an employee of the department, or an immediate family member of an employee of the department, has a pecuniary interest. In this subsection, "immediate family member" means a spouse, child, or parent.

* Sec. 7. AS 47.05 is amended by adding a new section to read:
Sec. 47.05.211. Persons required to report fraud. (a) A state employee who has knowledge that a person has committed medical assistance fraud under AS 47.05.210 shall immediately report the actions that constitute medical assistance fraud to the department.
(b) A state employee who fails to comply with (a) of this section and who knew or should have known that the circumstances gave rise to the need for a report is guilty of a class A misdemeanor.
(c) A person who knowingly hinders or prevents a report of medical assistance
fraud from being submitted under this section is guilty of a class A misdemeanor."

Page 9, following line 3:
Insert a new bill section to read:
"* Sec. 16. AS 47.07.074(b) is repealed."

Renumber the following bill sections accordingly.

Page 9, line 12:
Delete "sec. 10"
Insert "sec. 13"

Page 9, line 17:
Delete "10"
Insert "13"

Page 9, line 23:
Delete "13 and 14"
Insert "17 and 18"

Page 9, line 24:
Delete "by sec. 16"
Insert "in sec. 20"