

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE VAZQUEZ

TO: HB 148

1 Page 2, following line 16:

2 Insert a new bill section to read:

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

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

7 (1) coordinating efforts among divisions within the department;

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

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

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

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

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

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

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

23 (b) The department shall prepare an annual report summarizing quality control

1 and fraud prevention efforts. The department shall deliver the report to the senate  
 2 secretary and the clerk of the house of representatives on or before January 1 of each  
 3 year and notify the legislature that the report is available.

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

8 (d) In this section, "mental illness" has the meaning given in AS 47.30.915."  
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10 Renumber the following bill sections accordingly.

11  
 12 Page 2, line 22:

13 Delete "50"

14 Insert "150"  
 15

16 Page 3, following line 20:

17 Insert new bill sections to read:

18 **\*\* Sec. 6.** AS 47.05.200 is amended by adding a new subsection to read:

19 (f) At least half of the audits required under this section must be targeted audits  
 20 of medical assistance providers in which an employee of the department, or an  
 21 immediate family member of an employee of the department, has a pecuniary interest.  
 22 In this subsection, "immediate family member" means a spouse, child, or parent.

23 **\* Sec. 7.** AS 47.05 is amended by adding a new section to read:

24 **Sec. 47.05.211. Persons required to report fraud.** (a) A state employee who  
 25 has knowledge that a person has committed medical assistance fraud under  
 26 AS 47.05.210 shall immediately report the actions that constitute medical assistance  
 27 fraud to the department.

28 (b) A state employee who fails to comply with (a) of this section and who  
 29 knew or should have known that the circumstances gave rise to the need for a report is  
 30 guilty of a class A misdemeanor.

31 (c) A person who knowingly hinders or prevents a report of medical assistance

1 fraud from being submitted under this section is guilty of a class A misdemeanor."

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3 Page 9, following line 3:

4 Insert a new bill section to read:

5 **"\* Sec. 16. AS 47.07.074(b) is repealed."**

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7 Renumber the following bill sections accordingly.

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9 Page 9, line 12:

10 Delete "sec. 10"

11 Insert "sec. 13"

12

13 Page 9, line 17:

14 Delete "10"

15 Insert "13"

16

17 Page 9, line 23:

18 Delete "13 and 14"

19 Insert "17 and 18"

20

21 Page 9, line 24:

22 Delete "by sec. 16"

23 Insert "in sec. 20"