

Senate File 2031 - Introduced

SENATE FILE 2031

BY SODDERS

A BILL FOR

1 An Act relating to corrections system health care costs.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. LEGISLATIVE FINDINGS AND INTENT. The general
2 assembly finds that other states have saved millions of dollars
3 by implementing solutions to eliminate and recover health
4 care overpayments in the corrections system. Similarly,
5 states have significantly reduced such health care costs by
6 billing the Medicaid program for eligible inpatient health care
7 costs. Therefore, it is the intent of the general assembly
8 to implement automated payment detection, prevention, and
9 recovery solutions to reduce health care overpayments and to
10 ensure that Medicaid is billed for eligible inpatient hospital
11 and professional services for individuals in the corrections
12 system.

13 Sec. 2. NEW SECTION. 904.321 Health care cost containment.

14 1. The department, in consultation with the department
15 of human services, shall do all of the following in regard
16 to state correctional health care systems and services and
17 state-contracted managed correctional health care services:

18 a. Implement state-of-the-art clinical code editing
19 technology solutions to further automate health care claims
20 resolution and enhance health care cost containment through
21 improved claim accuracy and appropriate code correction. The
22 technology shall identify and prevent errors or potential
23 overbilling based on widely accepted and referenced protocols
24 such as the American medical association and the centers for
25 Medicare and Medicaid services protocols. The edits shall
26 be applied automatically before claims are adjudicated to
27 speed processing and reduce the number of pending or rejected
28 claims and to ensure a smoother, more consistent, and more
29 open adjudication process and fewer delays in provider
30 reimbursement.

31 b. Implement health care claims audit and recovery services
32 to identify improper payments due to nonfraudulent issues,
33 audit claims, obtain health care provider sign-off on the audit
34 results, and recover validated overpayments. Postpayment
35 reviews shall ensure that the diagnoses and procedure codes

1 are accurate and valid based on the supporting physician
2 documentation within the medical records. Core categories of
3 reviews may include but are not limited to coding compliance
4 diagnosis related group reviews, transfers, readmissions, cost
5 outlier reviews, outpatient seventy-two-hour rule reviews,
6 payment errors, and billing errors.

7 *c.* Implement automated payment detection, prevention,
8 and recovery solutions to ensure that the Medicaid program
9 is billed for eligible inpatient hospital and professional
10 services.

11 2. *a.* The department may contract for the services
12 specified in this section.

13 *b.* To the maximum extent possible, any savings generated
14 from the measures implemented pursuant to this section shall
15 be used for the continued administration of the technology
16 services implemented under this section.

17 *c.* Reimbursement of any contractor may be contracted
18 on the basis of a percentage of achieved savings model, a
19 per-beneficiary-per-month model, a per-transaction model, a
20 case-rate model, or any blended model of such methodologies.
21 Reimbursement of any contractor may also include models based
22 on performance guarantees of the contractor to ensure that the
23 savings generated under this section exceed program costs.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 This bill relates to health care cost containment in the
28 corrections system.

29 The bill provides that the general assembly finds that
30 other states have saved millions of dollars by implementing
31 solutions to eliminate and recover health care overpayments
32 in the corrections system and that states have significantly
33 reduced such health care costs by billing the Medicaid program
34 for eligible inpatient health care costs. The intent of the
35 general assembly is to implement automated payment detection,

1 prevention, and recovery solutions to reduce health care
2 overpayments and to ensure that Medicaid is billed for eligible
3 inpatient hospital and professional services for individuals in
4 the corrections system.

5 The bill directs the department of corrections, in
6 consultation with the department of human services, to
7 implement state-of-the-art clinical code editing technology
8 solutions to further automate health care claims resolution
9 and enhance health care cost containment through improved
10 claim accuracy and appropriate code correction; implement
11 health care claims audit and recovery services to identify
12 improper payments due to nonfraudulent issues, audit claims,
13 obtain health care provider sign-off on the audit results, and
14 recover validated overpayments; and implement automated payment
15 detection, prevention, and recovery solutions to ensure that
16 the Medicaid program is billed for eligible inpatient hospital
17 and professional services. The department is authorized
18 to contract for the services specified, and to the maximum
19 extent possible, any savings generated from the measured
20 implemented under the bill shall be used for the continued
21 administration of the services used in administering the bill.
22 The department is also authorized to reimburse any contractor
23 on the basis of a percentage of achieved savings model, a
24 per-beneficiary-per-month model, a per-transaction model, a
25 case-rate model, or any blended model of such methodologies.
26 Reimbursement of any contractor may also include models based
27 on performance guarantees of the contractor to ensure that
28 the savings generated under the bill exceed program costs.
29 The provisions of the bill apply to state correctional health
30 care systems and services and to state-contracted managed
31 correctional health care services.