

FIRST REGULAR SESSION

# SENATE BILL NO. 453

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CUNNINGHAM.

Read 1st time February 28, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1949S.011

## AN ACT

To amend chapter 217, RSMo, by adding thereto one new section relating to health care billing practices by the department of corrections.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 217, RSMo, is amended by adding thereto one new section, to be known as section 217.233, to read as follows:

**217.233. 1. Unless otherwise stated, this section shall specifically apply to:**

**(1) State correctional healthcare systems and services; and**

**(2) State contracted managed correctional healthcare services.**

**2. The state shall implement state-of-the art clinical code editing technology solutions to further automate claims resolution and enhance cost containment through improved claim accuracy and appropriate code correction. The technology shall identify and prevent errors or potential overbilling based on widely accepted and referenced protocols by the American Medical Association and the Centers for Medicare and Medicaid Services. The edits shall be applied automatically before claims are adjudicated in order to:**

**(1) Speed processing and reduce the number of claims that have been rejected or which are pending;**

**(2) Help ensure a smoother, more consistent, and more open adjudication process; and**

**(3) Ensure fewer delays in provider reimbursement.**

**3. The state shall implement correctional healthcare claims audit and recovery services to identify improper payments due to nonfraudulent issues, audit claims, obtain provider sign-off on the audit results, and recover validated overpayments. Post payment reviews**

22 shall ensure that the diagnoses and procedure codes are accurate and  
23 valid based on the supporting physician documentation within the  
24 medical records. Core categories of reviews may include:

- 25 (1) Coding Compliance Diagnosis Related Group (DRG) Reviews;  
26 (2) Transfers, readmissions, cost outlier reviews; or  
27 (3) Outpatient seventy-two-hour rule reviews, payment errors,  
28 billing errors, and others.

29 4. The state shall implement automated payment detection,  
30 prevention, and recovery solutions to assure that Medicaid is billed for  
31 eligible inpatient hospital and professional services.

32 5. The department may contract for the technology services  
33 required under this section. To the extent possible, technology services  
34 used in carrying out the provisions of this section shall be secured  
35 using the savings generated by the program with the state's only direct  
36 cost to be funded through the actual savings achieved. Reimbursement  
37 to the contractor may be contracted on the basis of a percentage of  
38 achieved savings model, a per beneficiary per month model, a per  
39 transaction model, a case-rate model, or any blended model of the  
40 aforementioned methodologies. Reimbursement models with the  
41 contractor may also include performance guarantees of the contractor  
42 to ensure savings identified exceeds program costs.

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