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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 3047

February 18, 2010

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The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight

March 8, 2010

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to human services; modifying the commissioner's duties; creating an
1.3 Office of Health Care Inspector General; amending Minnesota Statutes 2008,
1.4 section 256.01, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 256.01, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 30. **Office of Health Care Inspector General.** (a) The commissioner shall
1.9 create within the Department of Human Services an Office of Health Care Inspector
1.10 General to enhance antifraud activities and to protect the integrity of the state health care
1.11 programs, as well as the health and welfare of the beneficiaries of those programs. The
1.12 Office of Health Care Inspector General must periodically report to the commissioner and
1.13 to the legislature program and management problems and recommendations to correct
1.14 them.

1.15 (b) The duties of the Office of Health Care Inspector General include, but are not
1.16 limited to:

1.17 (1) promoting economy, efficiency, and effectiveness through the elimination of
1.18 waste, fraud, and abuse;

1.19 (2) conducting and supervising audits, investigations, inspections, and evaluations
1.20 relating to the state health care programs under chapters 256B, 256D, and 256L;

1.21 (3) identifying weaknesses giving rise to opportunities for fraud and abuse in the
1.22 state health care programs and operations and making recommendations to prevent their
1.23 recurrence;

2.1 (4) leading and coordinating activities to prevent and detect fraud and abuse in the
2.2 state health care programs and operations;

2.3 (5) detecting wrongdoers and abusers of the state health care programs and
2.4 beneficiaries so appropriate remedies may be brought to bear;

2.5 (6) keeping the commissioner and the legislature fully and currently informed about
2.6 problems and deficiencies in the administration of the state health care programs and
2.7 operations and about the need for and progress of corrective action;

2.8 (7) operating a toll-free hotline to permit individuals to call in suspected fraud,
2.9 waste, or abuse, referring the calls for appropriate action by the agency, and analyzing the
2.10 calls to identify trends and patterns of fraud and abuse needing attention;

2.11 (8) developing and reviewing legislative, regulatory, and program proposals to
2.12 reduce vulnerabilities to fraud, waste, and mismanagement; and

2.13 (9) recommending changes in program policies, regulations, and laws to improve
2.14 efficiency and effectiveness, and to prevent fraud, waste, abuse, and mismanagement.

2.15 (c) Beginning July 1, 2011, the commissioner, in consultation with the Office of
2.16 Health Care Inspector General, shall annually report to the legislature and the governor
2.17 new results from the two ongoing federal Medicaid audits. The commissioner shall report
2.18 (1) the most recent Medicaid Integrity Program (MIP) audit results, with any corrective
2.19 actions needed, and (2) certify the rate of errors determined for the state health care
2.20 programs under chapters 256B, 256D, and 256L, as determined from the most recent
2.21 Payment Error Rate Measurement (PERM) audit results for Minnesota. When the PERM
2.22 audit rate for Minnesota is greater than the national rate for the year or the MIP audit
2.23 determines the need for corrective action, the commissioner shall present a plan to the
2.24 legislature and the governor for the corrective actions and reduction of the error rate
2.25 in the next calendar year.