



# HB 77 - MEDICAL ASSISTANCE ACCOUNTABILITY

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

## SUMMARY

This issue brief provides an update to the Legislature on the implementation of HB 77 *Medical Assistance Accountability* passed during the 2011 General Session. This brief is for informational purposes only and requires no Legislative action.

## DISCUSSION AND ANALYSIS

HB 77 *Medical Assistance Accountability* made several changes for the Medicaid program which are discussed here below:

1. **Implementation Status of Medicaid Audit** - UCA 26-18-604 directs that the Department of Health report on the status of implementing recommendations from the "Performance Audit of Utah Medicaid Provider Cost Control" by the Office of Legislative Auditor General. This report was due to be reported at the October 2011 interim meeting of the Health and Human Services Interim Committee meeting. "At the October 2011 interim meeting of the Health and Human Services Interim Committee, the division shall report on the measures taken by the division to correct the problems identified in, and to implement the recommendations made in, the December 2010 Performance Audit of Utah Medicaid Provider Cost Control published by the Office of Legislative Auditor General." (HB 77) The Department presented at the October 19, 2011 Health and Human Services Interim Committee. The audio of the presentation is available at <http://le.utah.gov/av/smil?int=212286>. This report is available as number 8 at <http://image.le.utah.gov/Imaging/History.asp?MtgID=8900>.
2. **Best Practices to Combat Fraud** – the Department of Health is to seek out and implement best practices for combating fraud, waste, and abuse within Medicaid. The Department indicates that it has established quarterly meetings with the Medicaid Office of Inspector General and the Medicaid Fraud Control Unit to discuss potential abuses in pharmacy.
3. **Pharmacy Drug Price Tracking** – the Legislation requires the Department of Health to quarterly update the prices for pharmacy drugs that represent 45% of expenditures and annually for all remaining drugs. The Department updated Maximum Allowable Cost prices for drugs in September and December of 2011. The Department issued a Request for Proposal to have a vendor to do the future updates for drug prices.
4. **Upcoding Training** – HB 77 requires annual training to employees most likely to see cases where upcoding may be occurring. The Department of Health's Bureau of Medicaid Operations staff, about 50 employees, received training from the Medicaid Office of Inspector General in November 2011.