

## FRAUD AND WASTE IN PUBLIC ASSISTANCE PROGRAMS

### LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting. (5-4-105, MCA; [Chapter 309, Laws of 2017](#)) The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

**Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.**

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### Background Materials and Research

**Topic Summary:** Montana administers many programs to assist low-income individuals with items such as health care, food purchases, child care, and utility costs. The programs generally are fully or partially funded by the federal government, and they operate within guidelines set in federal law and regulations. People can participate in the programs in one of two ways – by either receiving the services, because they meet eligibility standards, or by providing the services, because they've contracted with the state to offer the benefits. For instance, hundreds of health care providers and facilities offer health care services to people who qualify for Medicaid.

Individuals who falsely state their eligibility or need for assistance are fraudulently claiming benefits. Providers who overcharge for services or submit false billing information are committing provider fraud. Penalties for fraud exist at both the state and federal levels, as do programs for identifying and prosecuting fraud and for recovering assistance that was wrongly paid. The Office of Inspector General for the Department of Public Health and Human Services (DPHHS) investigates allegations of fraud and abuse by both recipients and providers, including review of claims submitted to the Medicaid program. In addition, the Montana Legislature in 1995 created the Medicaid Fraud Control Unit within the Department of Justice to investigate and prosecute fraud by applicants, recipients, and providers, including cases referred to the unit by DPHHS.

### Background Materials:

#### Legislative Materials

- [State Efforts to Mitigate Fraud, Waste, and Abuse in the Montana Medicaid Program](#), Legislative Audit Division, June 2018
  - [Followup to 2018 Audit](#), Legislative Audit Division, October 2019

## SECTION 1332 "STATE INNOVATION" WAIVERS

### Other Materials

- [Program Compliance Activities](#), Department of Public Health and Human Services
- Surveillance and Utilization Review Statistics, Department of Public Health and Human Services
  - [Fiscal Year 2021](#)
  - [Fiscal Year 2020](#)
  - [Fiscal Year 2019](#)
  - [Fiscal Year 2018](#)
- [Medicaid Fraud Control Units](#), National Association of Medicaid Fraud Control Units
- [Montana Medicaid Fraud Control Unit: 2019 Onsite Inspection Summary](#), Office of Inspector General, U.S. Department of Public Health and Human Services, March 18, 2020 (Includes a link to full report)

### Introduced Legislation

**Note:** A status of "Chapter Number Assigned" means the bill was passed by the Legislature, approved by the governor, and became law.

#### 2021

[Senate Bill No. 100](#) (Tabled in House Committee) -- AN ACT ESTABLISHING PROCEDURES FOR PREVENTING FRAUD IN PUBLIC ASSISTANCE PROGRAMS; ESTABLISHING VERIFICATION REQUIREMENTS FOR INFORMATION SUBMITTED BY APPLICANTS FOR AND RECIPIENTS OF CERTAIN PUBLIC ASSISTANCE PROGRAMS; ALLOWING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO CONTRACT FOR A VERIFICATION SYSTEM; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING FOR CONTINGENT VOIDNESS; AND AMENDING SECTIONS 53-2-101 AND 53-2-201, MCA.

#### 2019

[House Bill No. 658](#) (Chapter Number Assigned) -- AN ACT GENERALLY REVISING HEALTH CARE LAWS; EXTENDING THE MEDICAID EXPANSION PROGRAM PERMANENT BY REVISING THE TERMINATION DATE OF THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP ACT; ESTABLISHING COMMUNITY ENGAGEMENT REQUIREMENTS FOR HELP ACT PARTICIPANTS; REVISING MEDICAID ELIGIBILITY VERIFICATION PROCEDURES; ESTABLISHING A HELP ACT EMPLOYER GRANT PROGRAM; ENACTING A FEE ON HEALTH SERVICE CORPORATIONS; ESTABLISHING A FEE ON HOSPITAL OUTPATIENT REVENUE; REVISING TAXPAYER INTEGRITY FEES; CREATING A SPECIAL REVENUE ACCOUNT; ALLOWING THE GOVERNOR TO AUTHORIZE A SUPPLEMENTAL APPROPRIATION TRANSFER FOR THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; REQUIRING THE GOVERNOR TO REPORT TO THE LEGISLATIVE FINANCE COMMITTEE; EXTENDING RULEMAKING AUTHORITY; PROVIDING APPROPRIATIONS; REMOVING STATUTORY APPROPRIATIONS; AMENDING SECTIONS 15-30-2618, 15-30-2660, 15-31-511, 15-66-101, 15-66-102, 15-66-103, 15-66-201, 15-66-202, 15-66-203, 15-66-204, 15-66-205, 17-7-301, 17-7-311, 17-7-502, 33-30-102, 39-12-101, 39-12-103, 53-4-1110, 53-6-131, 53-6-133, 53-6-149, 53-6-160, 53-6-1302, 53-6-1303, 53-6-1304, 53-6-1305, 53-6-1306, 53-6-1307, AND 53-6-1311, MCA; REPEALING SECTION 53-6-1316, MCA; AMENDING SECTION 28, CHAPTER 368, LAWS OF 2015; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE.

#### 2017

[Senate Bill No. 82](#) (Chapter Number Assigned) -- AN ACT PROVIDING STANDARDS AND REQUIREMENTS

## SECTION 1332 "STATE INNOVATION" WAIVERS

FOR MEDICAID OVERPAYMENT AUDITS; PROVIDING REQUIREMENTS FOR RECORD REQUESTS AND REVIEWS; PROHIBITING DETERMINATION OF OVERPAYMENTS BY EXTRAPOLATION EXCEPT IN CERTAIN CIRCUMSTANCES; PROVIDING FOR NOTICE OF AUDIT RESULTS; REQUIRING PROVIDER EDUCATION AND AUDITOR EVALUATION; REQUIRING THE PUBLICATION OF AUDIT RESULTS; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTION 53-6-111, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

### **2015**

[Senate Bill No. 148](#) (Vetoed by Governor) -- AN ACT ESTABLISHING PROCEDURES FOR PREVENTING FRAUD IN PUBLIC ASSISTANCE PROGRAMS; ESTABLISHING VERIFICATION REQUIREMENTS FOR INFORMATION SUBMITTED BY APPLICANTS FOR AND RECIPIENTS OF PUBLIC ASSISTANCE; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO CONTRACT FOR A VERIFICATION SYSTEM; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTIONS 53-2-101 AND 53-2-201, MCA.

[Senate Bill No. 216](#) (Chapter Number Assigned) -- AN ACT ESTABLISHING FRAUD PREVENTION TRAINING AND FISCAL ACCOUNTABILITY REQUIREMENTS FOR CERTAIN MEDICAID IN-HOME CARE SERVICES; REQUIRING TRAINING AND EDUCATION IN FRAUD PREVENTION; REQUIRING REPORTING OF COST INFORMATION; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTION 53-6-402, MCA.

[Senate Bill No. 405](#) (Chapter Number Assigned) -- AN ACT CREATING THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP ACT TO EXPAND HEALTH CARE COVERAGE TO ADDITIONAL INDIVIDUALS, IMPROVE ACCESS TO HEALTH CARE SERVICES, AND CONTROL HEALTH CARE COSTS; ESTABLISHING A HEALTH CARE COVERAGE PROGRAM TO PROVIDE CERTAIN LOW-INCOME MONTANANS WITH ACCESS TO HEALTH CARE SERVICES USING MEDICAID FUNDS AND AN ARRANGEMENT WITH A THIRD-PARTY ADMINISTRATOR; IMPLEMENTING CERTAIN MEDICAID REFORMS; PROVIDING STATUTORY APPROPRIATIONS FOR COSTS OF PROVIDING HEALTH CARE SERVICES; PROVIDING SUPPORT FOR HEALTH CARE DELIVERY ACROSS MONTANA; PROVIDING WORKFORCE DEVELOPMENT OPPORTUNITIES FOR PROGRAM PARTICIPANTS; ESTABLISHING TIME LIMITS FOR SERVICE OF PROCESS IN MEDICAL MALPRACTICE CLAIMS; ESTABLISHING AN OVERSIGHT COMMITTEE; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING APPROPRIATIONS; AMENDING SECTIONS 17-7-502 AND 27-2-205, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE.

### **2013**

[House Bill No. 171](#) (Vetoed by Governor) -- AN ACT REQUIRING PREPAYMENT AND POSTPAYMENT REVIEWS AND ANALYSES OF PROVIDER INFORMATION AND CLAIMS INVOLVING THE MEDICAID PROGRAM AND HEALTHY MONTANA KIDS PLAN IN ORDER TO PREVENT AND REDUCE FRAUD, WASTE, AND ABUSE; REQUIRING THE USE OF PREDICTIVE MODELING AND ANALYTICS TO IDENTIFY POTENTIAL FRAUD AND ABUSE; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO CONTRACT FOR SERVICES; AND PROVIDING AN EFFECTIVE DATE.

[House Bill No. 604](#) (Vetoed by Governor) -- AN ACT PROVIDING FOR A SELECT COMMITTEE ON MEDICAID INNOVATION, REFORM, AND EXPANSION; REQUIRING COMMITTEE REVIEW OF MEDICAID-RELATED

## SECTION 1332 "STATE INNOVATION" WAIVERS

LEGISLATIVE PROPOSALS; PROVIDING AN APPROPRIATION; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE.

House Bill No. 623 (Died in House Committee) -- A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO HEALTH CARE AND HEALTH INSURANCE TO IMPROVE ACCESS WITHOUT EXPANDING THE MEDICAID PROGRAM AS ALLOWED UNDER PUBLIC LAW 111-148 AND PUBLIC LAW 111-152; ESTABLISHING A CITIZENS COUNCIL ON HEALTH CARE REFORM; PROVIDING GRANTS TO ASSIST CERTAIN INDIVIDUALS WITH THE PURCHASE OF HEALTH INSURANCE; PROVIDING GRANTS TO ASSIST CERTAIN INDIVIDUALS WITH THE PURCHASE OF HEALTH INSURANCE; ESTABLISHING A SELECT COMMITTEE ON MEDICAID INNOVATION, REFORM, AND EXPANSION; ESTABLISHING PRACTICE REQUIREMENTS FOR WWAMI GRADUATES; ESTABLISHING HOSPITAL CHARITY CARE STANDARDS AS A REQUIREMENT FOR EXEMPTION FROM STATE TAXES; PROVIDING FOR REFORMS TO THE STATE MEDICAID PROGRAM; ELIMINATING THE INSURE MONTANA PROGRAM; CREATING SPECIAL REVENUE ACCOUNTS; PROVIDING DEFINITIONS; REVISING THE DISTRIBUTION OF PROCEEDS FROM A CONVERSION TRANSACTION OF A NONPROFIT HEALTH ENTITY; CREATING A SPECIAL REVENUE ACCOUNT; PROVIDING DEFINITIONS; PROVIDING A STATUTORY APPROPRIATION AND PROVIDING AN APPROPRIATION; A STATUTORY APPROPRIATION AND APPROPRIATIONS; TRANSFERRING FUNDS; AMENDING SECTIONS 17-7-502, 15-6-201, 15-30-2110, 15-30-2618, 15-31-102, 15-31-511, 17-6-606, 17-7-502, 33-22-1513, 33-22-1815, 33-22-1816, 45-6-301, 50-4-716, AND, 50-4-720, 53-4-1004, AND 53-6-1201, MCA; REPEALING SECTIONS 15-30-2368, 15-31-130, 33-22-2001, 33-22-2002, 33-22-2003, 33-22-2004, 33-22-2005, 33-22-2006, 33-22-2007, 33-22-2008, 33-22-2009, 53-2-216, AND 53-2-217, MCA; ALLOWING USE OF MEDICAID FUNDS TO PURCHASE INSURANCE FOR CERTAIN NONDISABLED, NONELDERLY, AND NONPREGNANT INDIVIDUALS; ESTABLISHING ELIGIBILITY CRITERIA FOR INDIVIDUALS PURCHASING HEALTH INSURANCE WITH MEDICAID FUNDS; REQUIRING A REVIEW OF THE MONTANA MEDICAID PROGRAM AND THE HEALTH CARE DELIVERY SYSTEM; ESTABLISHING A MEDICAID WELLNESS PILOT PROJECT; ESTABLISHING WORKFORCE REPORTING REQUIREMENTS FOR CERTAIN HEALTH CARE PROFESSIONALS; PROVIDING FOR USE OF UNEXPENDED MEDICAID FUNDS; CREATING A FEE ON MEDICAID PROVIDERS AND INSURERS; CREATING A SPECIAL REVENUE ACCOUNT; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 33-2-708, 33-31-111, 37-8-202, AND 37-8-204, MCA; AND PROVIDING EFFECTIVE DATES, AND APPLICABILITY DATES, AND A TERMINATION DATE, AND A TERMINATION DATE DATES

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