

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0239
Prime Sponsor(s): Sen. Roberts
 Rep. Navarro

Date: June 26, 2013
Bill Status: Signed into Law
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING SYSTEM IMPROVEMENTS TO PREVENT FRAUD IN THE MEDICAID PROGRAM, AND, IN CONNECTION THEREWITH, EMPLOYING ADVANCED DATA ANALYTICS.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	Increase - see State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on May 24, 2013, and takes effect August 7, 2013, assuming no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill directs the Department of Health Care Policy and Financing to issue a request for information (ROI) by September 30, 2013, regarding the use of predictive analytics technologies in the Medicaid program. The primary purpose of the ROI is to obtain information on proven strategies to identify and reduce fraud, waste, and abuse in Medicaid prior to the payment of claims. Based on the results of the ROI, the department is encouraged to develop requests for proposals (RFPs) to implement strategies that will:

- result in cost savings to the state;
- be integrated into existing operations without creating additional costs to the state; and
- not result in delays or the improper denial of legitimate claims by providers.

State Expenditures

This bill will increase workload for the Department of Health Care Policy and Financing to conduct a ROI. Conditional upon the results of the ROI, the department may incur additional costs to prepare RFPs and implement any selected proposals. The fiscal note assumes that the workload associated with conducting the ROI and any future RFPs can be accomplished within existing appropriations. Any adjustments in appropriations resulting from implementing a RFP will be addressed through the annual budget process.

Departments Contacted

Health Care Policy and Financing

Law

Office of Information Technology