

Senator Wayne L. Niederhauser proposes the following substitute bill:

**OFFICE OF INSPECTOR GENERAL OF MEDICAID
SERVICES**

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David Clark

Senate Sponsor: Wayne L. Niederhauser

LONG TITLE

General Description:

This bill creates, within the Office of the State Auditor, the Office of Inspector General of Medicaid Services.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates, within the Office of the State Auditor, the Office of Inspector General of Medicaid Services (office);
- ▶ describes and provides for the qualifications, appointment, term of office, and removal of the Inspector General of Medicaid Services (inspector general);
- ▶ describes the duties and powers of the inspector general and the office;
- ▶ requires the inspector general to enter into a memorandum of understanding with the Medicaid Fraud Control Unit of the attorney general's office (fraud unit);
- ▶ requires the office to annually select and review a representative sample of claims submitted for reimbursement under the state Medicaid program to determine whether fraud, waste, or abuse occurred;
- ▶ provides for the transfer of full-time equivalents from the Department of Health to



26 the Office of the State Auditor to staff the office;

27 ▶ establishes a process where the inspector general can order a hold on the payment of
28 a claim for reimbursement submitted by a claimant if there is reasonable cause to
29 believe that the claim, or payment of the claim, constitutes fraud, waste, or abuse, or
30 is otherwise inaccurate;

31 ▶ grants the office full access to records and employees when investigating or auditing
32 the use or expenditure of Medicaid funds or the provision of services;

33 ▶ grants the office access to the Controlled Substance Database and to all records,
34 information, and databases that the Department of Health and the Division of Health
35 Care Financing have access to;

36 ▶ requires the Department of Health, the Division of Health Care Financing, and
37 others to fully cooperate with and support the inspector general and the office in
38 fulfilling the duties of the inspector general and the office;

39 ▶ prohibits a person from interfering with or impeding an investigation or audit of the
40 office or fraud unit and from interfering with the content or conclusion of a report;

41 ▶ grants subpoena power to the inspector general;

42 ▶ requires a health care professional, a Medicaid provider, and a state or local
43 government official or employee to report any Medicaid fraud, waste, or abuse of
44 which they become aware;

45 ▶ requires the inspector general to, on an annual basis, prepare a written report on the
46 activities of the office for the preceding fiscal year, to provide the report to the
47 governor, and to provide and present the report to the Executive Appropriations
48 Committee of the Legislature;

49 ▶ requires the provision of contract services to the office by the attorney general's
50 office and the Division of Health Care Financing;

51 ▶ classifies certain records relating to an investigation or audit by the office as
52 protected;

53 ▶ grants rulemaking authority to the office; and

54 ▶ makes technical changes.

55 **Money Appropriated in this Bill:**

56 This bill appropriates, as ongoing appropriations:

- 57 ▶ to Department of Health - Executive Director's Operations:
- 58 • from the General Fund, \$(694,900);
- 59 • from the Federal Fund, \$(1,037,000); and
- 60 • from Revenue Transfers - Within Agency, \$(81,500);
- 61 ▶ to Medicaid Mandatory Services:
- 62 • from the General Fund, \$(300,000); and
- 63 • from the Federal Fund, \$(519,100); and
- 64 ▶ to Office of Inspector General of Medicaid Services:
- 65 • from the General Fund, \$994,900;
- 66 • from the Federal Fund, \$1,556,100; and
- 67 • from Revenue Transfers - Health, \$81,500.

68 **Other Special Clauses:**

69 This bill takes effect on July 1, 2011.

70 **Utah Code Sections Affected:**

71 AMENDS:

72 **26-18-2.3**, as last amended by Laws of Utah 2010, Chapter 149

73 **26-18-3**, as last amended by Laws of Utah 2010, Chapters 149, 323, 340, and 391

74 **58-37f-301**, as enacted by Laws of Utah 2010, Chapter 287 and last amended by

75 Coordination Clause, Laws of Utah 2010, Chapter 312

76 **63G-2-305**, as last amended by Laws of Utah 2010, Chapters 6, 113, and 247

77 **63I-2-263**, as last amended by Laws of Utah 2010, Chapter 224

78 **67-3-1**, as last amended by Laws of Utah 2008, Chapters 360 and 382

79 ENACTS:

80 **67-3a-101**, Utah Code Annotated 1953

81 **67-3a-102**, Utah Code Annotated 1953

82 **67-3a-201**, Utah Code Annotated 1953

83 **67-3a-202**, Utah Code Annotated 1953

84 **67-3a-203**, Utah Code Annotated 1953

85 **67-3a-204**, Utah Code Annotated 1953

86 **67-3a-205**, Utah Code Annotated 1953

87 **67-3a-206**, Utah Code Annotated 1953

- 88 **67-3a-207**, Utah Code Annotated 1953
- 89 **67-3a-301**, Utah Code Annotated 1953
- 90 **67-3a-302**, Utah Code Annotated 1953
- 91 **67-3a-303**, Utah Code Annotated 1953
- 92 **67-3a-304**, Utah Code Annotated 1953
- 93 **67-3a-401**, Utah Code Annotated 1953
- 94 **67-3a-501**, Utah Code Annotated 1953
- 95 **67-3a-502**, Utah Code Annotated 1953
- 96 **67-3a-601**, Utah Code Annotated 1953
- 97 **67-3a-602**, Utah Code Annotated 1953



99 *Be it enacted by the Legislature of the state of Utah:*

100 Section 1. Section **26-18-2.3** is amended to read:

101 **26-18-2.3. Division responsibilities -- Emphasis -- Periodic assessment.**

102 (1) In accordance with the requirements of Title XIX of the Social Security Act and
103 applicable federal regulations, the division is responsible for the effective and impartial
104 administration of this chapter in an efficient, economical manner. The division shall:

105 (a) establish, on a statewide basis, a program to safeguard against unnecessary or
106 inappropriate use of Medicaid services, excessive payments, and unnecessary or inappropriate
107 hospital admissions or lengths of stay;

108 (b) deny any provider claim for services that fail to meet criteria established by the
109 division concerning medical necessity or appropriateness; and

110 (c) place its emphasis on high quality care to recipients in the most economical and
111 cost-effective manner possible, with regard to both publicly and privately provided services.

112 (2) The division shall implement and utilize cost-containment methods, where
113 possible, which may include:

114 (a) prepayment and postpayment review systems to determine if utilization is
115 reasonable and necessary;

116 (b) preadmission certification of nonemergency admissions;

117 (c) mandatory outpatient, rather than inpatient, surgery in appropriate cases;

118 (d) second surgical opinions;

119 (e) procedures for encouraging the use of outpatient services;
120 (f) consistent with Sections 26-18-2.4 and 58-17b-606, a Medicaid drug program;
121 (g) coordination of benefits; and
122 (h) review and exclusion of providers who are not cost effective or who have abused
123 the Medicaid program, in accordance with the procedures and provisions of federal law and
124 regulation.

125 (3) The director of the division shall periodically assess the cost effectiveness and
126 health implications of the existing Medicaid program, and consider alternative approaches to
127 the provision of covered health and medical services through the Medicaid program, in order to
128 reduce unnecessary or unreasonable utilization.

129 (4) The department shall ensure Medicaid program integrity by conducting internal
130 audits of the Medicaid program for efficiencies, best practices, fraud, waste, abuse, and cost
131 recovery[, at least in proportion to the percent of funding for the program that comes from state
132 funds].

133 (5) The department shall, by December 31 of each year, report to the Health and
134 Human Services Appropriations Subcommittee regarding:

135 (a) measures taken under this section to increase:
136 (i) efficiencies within the program; and
137 (ii) cost avoidance and cost recovery efforts in the program; and
138 (b) results of program integrity efforts under Subsection (4).

139 Section 2. Section **26-18-3** is amended to read:

140 **26-18-3. Administration of Medicaid program by department -- Reporting to the**
141 **Legislature -- Disciplinary measures and sanctions -- Funds collected -- Eligibility**
142 **standards -- Internal audits -- Studies -- Health opportunity accounts.**

143 (1) The department shall be the single state agency responsible for the administration
144 of the Medicaid program in connection with the United States Department of Health and
145 Human Services pursuant to Title XIX of the Social Security Act.

146 (2) (a) The department shall implement the Medicaid program through administrative
147 rules in conformity with this chapter, Title 63G, Chapter 3, Utah Administrative Rulemaking
148 Act, the requirements of Title XIX, and applicable federal regulations.

149 (b) The rules adopted under Subsection (2)(a) shall include, in addition to other rules

150 necessary to implement the program:

151 (i) the standards used by the department for determining eligibility for Medicaid
152 services;

153 (ii) the services and benefits to be covered by the Medicaid program; and

154 (iii) reimbursement methodologies for providers under the Medicaid program.

155 (3) (a) The department shall, in accordance with Subsection (3)(b), report to the Health
156 and Human Services Appropriations Subcommittee when the department:

157 (i) implements a change in the Medicaid State Plan;

158 (ii) initiates a new Medicaid waiver;

159 (iii) initiates an amendment to an existing Medicaid waiver;

160 (iv) applies for an extension of an application for a waiver or an existing Medicaid
161 waiver; or

162 (v) initiates a rate change that requires public notice under state or federal law.

163 (b) The report required by Subsection (3)(a) shall:

164 (i) be submitted to the Health and Human Services Appropriations Subcommittee prior
165 to the department implementing the proposed change; and

166 (ii) include:

167 (A) a description of the department's current practice or policy that the department is
168 proposing to change;

169 (B) an explanation of why the department is proposing the change;

170 (C) the proposed change in services or reimbursement, including a description of the
171 effect of the change;

172 (D) the effect of an increase or decrease in services or benefits on individuals and
173 families;

174 (E) the degree to which any proposed cut may result in cost-shifting to more expensive
175 services in health or human service programs; and

176 (F) the fiscal impact of the proposed change, including:

177 (I) the effect of the proposed change on current or future appropriations from the
178 Legislature to the department;

179 (II) the effect the proposed change may have on federal matching dollars received by
180 the state Medicaid program;

181 (III) any cost shifting or cost savings within the department's budget that may result
182 from the proposed change; and

183 (IV) identification of the funds that will be used for the proposed change, including any
184 transfer of funds within the department's budget.

185 (4) (a) The Department of Human Services shall report to the Legislative Health and
186 Human Services Appropriations Subcommittee no later than December 31, 2010 in accordance
187 with Subsection (4)(b).

188 (b) The report required by Subsection (4)(a) shall include:

189 (i) changes made by the division or the department beginning July 1, 2010 that effect
190 the Medicaid program, a waiver under the Medicaid program, or an interpretation of Medicaid
191 services or funding, that relate to care for children and youth in the custody of the Division of
192 Child and Family Services or the Division of Juvenile Justice Services;

193 (ii) the history and impact of the changes under Subsection (4)(b)(i);

194 (iii) the Department of Human Service's plans for addressing the impact of the changes
195 under Subsection (4)(b)(i); and

196 (iv) ways to consolidate administrative functions within the Department of Human
197 Services, the Department of Health, the Division of Child and Family Services, and the
198 Division of Juvenile Justice Services to more efficiently meet the needs of children and youth
199 with mental health and substance disorder treatment needs.

200 (5) Any rules adopted by the department under Subsection (2) are subject to review and
201 reauthorization by the Legislature in accordance with Section 63G-3-502.

202 (6) The department may, in its discretion, contract with the Department of Human
203 Services or other qualified agencies for services in connection with the administration of the
204 Medicaid program, including:

205 (a) the determination of the eligibility of individuals for the program;

206 (b) recovery of overpayments; and

207 (c) consistent with Section 26-20-13, and to the extent permitted by law and quality
208 control services, enforcement of fraud and abuse laws.

209 (7) The department shall provide, by rule, disciplinary measures and sanctions for
210 Medicaid providers who fail to comply with the rules and procedures of the program, provided
211 that sanctions imposed administratively may not extend beyond:

- 212 (a) termination from the program;
- 213 (b) recovery of claim reimbursements incorrectly paid; and
- 214 (c) those specified in Section 1919 of Title XIX of the federal Social Security Act.

215 (8) Funds collected as a result of a sanction imposed under Section 1919 of Title XIX
216 of the federal Social Security Act shall be deposited in the General Fund as dedicated credits to
217 be used by the division in accordance with the requirements of Section 1919 of Title XIX of
218 the federal Social Security Act.

219 (9) (a) In determining whether an applicant or recipient is eligible for a service or
220 benefit under this part or Chapter 40, Utah Children's Health Insurance Act, the department
221 shall, if Subsection (9)(b) is satisfied, exclude from consideration one passenger vehicle
222 designated by the applicant or recipient.

223 (b) Before Subsection (9)(a) may be applied:

224 (i) the federal government must:

225 (A) determine that Subsection (9)(a) may be implemented within the state's existing
226 public assistance-related waivers as of January 1, 1999;

227 (B) extend a waiver to the state permitting the implementation of Subsection (9)(a); or

228 (C) determine that the state's waivers that permit dual eligibility determinations for
229 cash assistance and Medicaid are no longer valid; and

230 (ii) the department must determine that Subsection (9)(a) can be implemented within
231 existing funding.

232 (10) (a) For purposes of this Subsection (10):

233 (i) "aged, blind, or disabled" shall be defined by administrative rule; and

234 (ii) "spend down" means an amount of income in excess of the allowable income
235 standard that must be paid in cash to the department or incurred through the medical services
236 not paid by Medicaid.

237 (b) In determining whether an applicant or recipient who is aged, blind, or disabled is
238 eligible for a service or benefit under this chapter, the department shall use 100% of the federal
239 poverty level as:

240 (i) the allowable income standard for eligibility for services or benefits; and

241 (ii) the allowable income standard for eligibility as a result of spend down.

242 (11) The department shall conduct internal audits of the Medicaid program[~~;~~in

243 ~~proportion to at least the level of funding it receives from Medicaid to conduct internal audits].~~

244 (12) In order to determine the feasibility of contracting for direct Medicaid providers
245 for primary care services, the department shall:

246 (a) issue a request for information for direct contracting for primary services that shall
247 provide that a provider shall exclusively serve all Medicaid clients:

248 (i) in a geographic area;

249 (ii) for a defined range of primary care services; and

250 (iii) for a predetermined total contracted amount; and

251 (b) by February 1, 2011, report to the Health and Human Services Appropriations
252 Subcommittee on the response to the request for information under Subsection (12)(a).

253 (13) (a) By December 31, 2010, the department shall:

254 (i) determine the feasibility of implementing a three year patient-centered medical
255 home demonstration project in an area of the state using existing budget funds; and

256 (ii) report the department's findings and recommendations under Subsection (13)(a)(i)
257 to the Health and Human Services Appropriations Subcommittee.

258 (b) If the department determines that the medical home demonstration project
259 described in Subsection (13)(a) is feasible, and the Health and Human Services Appropriations
260 Subcommittee recommends that the demonstration project be implemented, the department
261 shall:

262 (i) implement the demonstration project; and

263 (ii) by December 1, 2012, make recommendations to the Health and Human Services
264 Appropriations Subcommittee regarding the:

265 (A) continuation of the demonstration project;

266 (B) expansion of the demonstration project to other areas of the state; and

267 (C) cost savings incurred by the implementation of the demonstration project.

268 (14) (a) The department may apply for and, if approved, implement a demonstration
269 program for health opportunity accounts, as provided for in 42 U.S.C. Sec. 1396u-8.

270 (b) A health opportunity account established under Subsection (14)(a) shall be an
271 alternative to the existing benefits received by an individual eligible to receive Medicaid under
272 this chapter.

273 (c) Subsection (14)(a) is not intended to expand the coverage of the Medicaid program.

274 Section 3. Section **58-37f-301** is amended to read:

275 **58-37f-301. Access to database.**

276 (1) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah
277 Administrative Rulemaking Act, to:

278 (a) effectively enforce the limitations on access to the database as described in this
279 part; and

280 (b) establish standards and procedures to ensure accurate identification of individuals
281 requesting information or receiving information without request from the database.

282 (2) The division shall make information in the database available only to the following
283 individuals, in accordance with the requirements of this chapter and division rules:

284 (a) personnel of the division specifically assigned to conduct investigations related to
285 controlled substance laws under the jurisdiction of the division;

286 (b) authorized division personnel engaged in analysis of controlled substance
287 prescription information as a part of the assigned duties and responsibilities of their
288 employment;

289 (c) in accordance with a written agreement entered into with the department,
290 employees of the Department of Health:

291 (i) whom the director of the Department of Health assigns to conduct scientific studies
292 regarding the use or abuse of controlled substances, provided that the identity of the individuals
293 and pharmacies in the database are confidential and are not disclosed in any manner to any
294 individual who is not directly involved in the scientific studies; or

295 (ii) when the information is requested by the Department of Health in relation to a
296 person whom the Department of Health suspects may be improperly obtaining or providing a
297 controlled substance;

298 (d) a licensed practitioner having authority to prescribe controlled substances, to the
299 extent the information:

300 (i) (A) relates specifically to a current or prospective patient of the practitioner; and
301 (B) is sought by the practitioner for the purpose of:

302 (I) prescribing or considering prescribing any controlled substance to the current or
303 prospective patient;

304 (II) diagnosing the current or prospective patient;

305 (III) providing medical treatment or medical advice to the current or prospective
306 patient; or

307 (IV) determining whether the current or prospective patient:

308 (Aa) is attempting to fraudulently obtain a controlled substance from the practitioner;

309 or

310 (Bb) has fraudulently obtained, or attempted to fraudulently obtain, a controlled
311 substance from the practitioner;

312 (ii) (A) relates specifically to a former patient of the practitioner; and

313 (B) is sought by the practitioner for the purpose of determining whether the former
314 patient has fraudulently obtained, or has attempted to fraudulently obtain, a controlled
315 substance from the practitioner;

316 (iii) relates specifically to an individual who has access to the practitioner's Drug
317 Enforcement Administration identification number, and the practitioner suspects that the
318 individual may have used the practitioner's Drug Enforcement Administration identification
319 number to fraudulently acquire or prescribe a controlled substance;

320 (iv) relates to the practitioner's own prescribing practices, except when specifically
321 prohibited by the division by administrative rule;

322 (v) relates to the use of the controlled substance database by an employee of the
323 practitioner, described in Subsection (2)(e); or

324 (vi) relates to any use of the practitioner's Drug Enforcement Administration
325 identification number to obtain, attempt to obtain, prescribe, or attempt to prescribe, a
326 controlled substance;

327 (e) in accordance with Subsection (3)(a), an employee of a practitioner described in
328 Subsection (2)(d), for a purpose described in Subsection (2)(d)(i) or (ii), if:

329 (i) the employee is designated by the practitioner as an individual authorized to access
330 the information on behalf of the practitioner;

331 (ii) the practitioner provides written notice to the division of the identity of the
332 employee; and

333 (iii) the division:

334 (A) grants the employee access to the database; and

335 (B) provides the employee with a password that is unique to that employee to access

336 the database in order to permit the division to comply with the requirements of Subsection
337 58-37f-203(3)(b) with respect to the employee;

338 (f) a licensed pharmacist having authority to dispense a controlled substance to the
339 extent the information is sought for the purpose of:

340 (i) dispensing or considering dispensing any controlled substance; or

341 (ii) determining whether a person:

342 (A) is attempting to fraudulently obtain a controlled substance from the pharmacist; or

343 (B) has fraudulently obtained, or attempted to fraudulently obtain, a controlled
344 substance from the pharmacist;

345 (g) federal, state, and local law enforcement authorities, and state and local
346 prosecutors, engaged as a specified duty of their employment in enforcing laws:

347 (i) regulating controlled substances; or

348 (ii) investigating insurance fraud, Medicaid fraud, or Medicare fraud;

349 (h) a mental health therapist, if:

350 (i) the information relates to a patient who is:

351 (A) enrolled in a licensed substance abuse treatment program; and

352 (B) receiving treatment from, or under the direction of, the mental health therapist as
353 part of the patient's participation in the licensed substance abuse treatment program described
354 in Subsection (2)(h)(i)(A);

355 (ii) the information is sought for the purpose of determining whether the patient is
356 using a controlled substance while the patient is enrolled in the licensed substance abuse
357 treatment program described in Subsection (2)(h)(i)(A); and

358 (iii) the licensed substance abuse treatment program described in Subsection
359 (2)(h)(i)(A) is associated with a practitioner who:

360 (A) is a physician, a physician assistant, an advance practice registered nurse, or a
361 pharmacist; and

362 (B) is available to consult with the mental health therapist regarding the information
363 obtained by the mental health therapist, under this Subsection (2)(h), from the database; ~~and~~

364 (i) an individual who is the recipient of a controlled substance prescription entered into
365 the database, upon providing evidence satisfactory to the division that the individual requesting
366 the information is in fact the individual about whom the data entry was made[-]; and

367 (j) the inspector general, or a designee of the inspector general, of the Office of
368 Inspector General of Medicaid Services, for the purpose of fulfilling the duties described in
369 Title 67, Chapter 3a, Part 2, Office Duties and Powers.

370 (3) (a) A practitioner described in Subsection (2)(d) may designate up to three
371 employees to access information from the database under Subsection (2)(e).

372 (b) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah
373 Administrative Rulemaking Act, to establish background check procedures to determine
374 whether an employee designated under Subsection (2)(e)(i) should be granted access to the
375 database.

376 (c) The division shall grant an employee designated under Subsection (2)(e)(i) access
377 to the database, unless the division determines, based on a background check, that the
378 employee poses a security risk to the information contained in the database.

379 (d) The division may impose a fee, in accordance with Section 63J-1-504, on a
380 practitioner who designates an employee under Subsection (2)(e)(i), to pay for the costs
381 incurred by the division to conduct the background check and make the determination
382 described in Subsection (3)(b).

383 (4) (a) An individual who is granted access to the database based on the fact that the
384 individual is a licensed practitioner or a mental health therapist shall be denied access to the
385 database when the individual is no longer licensed.

386 (b) An individual who is granted access to the database based on the fact that the
387 individual is a designated employee of a licensed practitioner shall be denied access to the
388 database when the practitioner is no longer licensed.

389 Section 4. Section **63G-2-305** is amended to read:

390 **63G-2-305. Protected records.**

391 The following records are protected if properly classified by a governmental entity:

392 (1) trade secrets as defined in Section 13-24-2 if the person submitting the trade secret
393 has provided the governmental entity with the information specified in Section 63G-2-309;

394 (2) commercial information or nonindividual financial information obtained from a
395 person if:

396 (a) disclosure of the information could reasonably be expected to result in unfair
397 competitive injury to the person submitting the information or would impair the ability of the

398 governmental entity to obtain necessary information in the future;

399 (b) the person submitting the information has a greater interest in prohibiting access
400 than the public in obtaining access; and

401 (c) the person submitting the information has provided the governmental entity with
402 the information specified in Section 63G-2-309;

403 (3) commercial or financial information acquired or prepared by a governmental entity
404 to the extent that disclosure would lead to financial speculations in currencies, securities, or
405 commodities that will interfere with a planned transaction by the governmental entity or cause
406 substantial financial injury to the governmental entity or state economy;

407 (4) records the disclosure of which could cause commercial injury to, or confer a
408 competitive advantage upon a potential or actual competitor of, a commercial project entity as
409 defined in Subsection 11-13-103(4);

410 (5) test questions and answers to be used in future license, certification, registration,
411 employment, or academic examinations;

412 (6) records the disclosure of which would impair governmental procurement
413 proceedings or give an unfair advantage to any person proposing to enter into a contract or
414 agreement with a governmental entity, except, subject to Subsections (1) and (2), that this
415 Subsection (6) does not restrict the right of a person to have access to, once the contract or
416 grant has been awarded, a bid, proposal, or application submitted to or by a governmental
417 entity in response to:

418 (a) a request for bids;

419 (b) a request for proposals;

420 (c) a grant; or

421 (d) other similar document;

422 (7) records that would identify real property or the appraisal or estimated value of real
423 or personal property, including intellectual property, under consideration for public acquisition
424 before any rights to the property are acquired unless:

425 (a) public interest in obtaining access to the information outweighs the governmental
426 entity's need to acquire the property on the best terms possible;

427 (b) the information has already been disclosed to persons not employed by or under a
428 duty of confidentiality to the entity;

429 (c) in the case of records that would identify property, potential sellers of the described
430 property have already learned of the governmental entity's plans to acquire the property;

431 (d) in the case of records that would identify the appraisal or estimated value of
432 property, the potential sellers have already learned of the governmental entity's estimated value
433 of the property; or

434 (e) the property under consideration for public acquisition is a single family residence
435 and the governmental entity seeking to acquire the property has initiated negotiations to acquire
436 the property as required under Section 78B-6-505;

437 (8) records prepared in contemplation of sale, exchange, lease, rental, or other
438 compensated transaction of real or personal property including intellectual property, which, if
439 disclosed prior to completion of the transaction, would reveal the appraisal or estimated value
440 of the subject property, unless:

441 (a) the public interest in access outweighs the interests in restricting access, including
442 the governmental entity's interest in maximizing the financial benefit of the transaction; or

443 (b) when prepared by or on behalf of a governmental entity, appraisals or estimates of
444 the value of the subject property have already been disclosed to persons not employed by or
445 under a duty of confidentiality to the entity;

446 (9) records created or maintained for civil, criminal, or administrative enforcement
447 purposes or audit purposes, or for discipline, licensing, certification, or registration purposes, if
448 release of the records:

449 (a) reasonably could be expected to interfere with investigations undertaken for
450 enforcement, discipline, licensing, certification, or registration purposes;

451 (b) reasonably could be expected to interfere with audits, disciplinary, or enforcement
452 proceedings;

453 (c) would create a danger of depriving a person of a right to a fair trial or impartial
454 hearing;

455 (d) reasonably could be expected to disclose the identity of a source who is not
456 generally known outside of government and, in the case of a record compiled in the course of
457 an investigation, disclose information furnished by a source not generally known outside of
458 government if disclosure would compromise the source; or

459 (e) reasonably could be expected to disclose investigative or audit techniques,

460 procedures, policies, or orders not generally known outside of government if disclosure would
461 interfere with enforcement or audit efforts;

462 (10) records the disclosure of which would jeopardize the life or safety of an
463 individual;

464 (11) records the disclosure of which would jeopardize the security of governmental
465 property, governmental programs, or governmental recordkeeping systems from damage, theft,
466 or other appropriation or use contrary to law or public policy;

467 (12) records that, if disclosed, would jeopardize the security or safety of a correctional
468 facility, or records relating to incarceration, treatment, probation, or parole, that would interfere
469 with the control and supervision of an offender's incarceration, treatment, probation, or parole;

470 (13) records that, if disclosed, would reveal recommendations made to the Board of
471 Pardons and Parole by an employee of or contractor for the Department of Corrections, the
472 Board of Pardons and Parole, or the Department of Human Services that are based on the
473 employee's or contractor's supervision, diagnosis, or treatment of any person within the board's
474 jurisdiction;

475 (14) records and audit workpapers that identify audit, collection, and operational
476 procedures and methods used by the State Tax Commission, if disclosure would interfere with
477 audits or collections;

478 (15) records of a governmental audit agency relating to an ongoing or planned audit
479 until the final audit is released;

480 (16) records prepared by or on behalf of a governmental entity solely in anticipation of
481 litigation that are not available under the rules of discovery;

482 (17) records disclosing an attorney's work product, including the mental impressions or
483 legal theories of an attorney or other representative of a governmental entity concerning
484 litigation;

485 (18) records of communications between a governmental entity and an attorney
486 representing, retained, or employed by the governmental entity if the communications would be
487 privileged as provided in Section 78B-1-137;

488 (19) (a) (i) personal files of a state legislator, including personal correspondence to or
489 from a member of the Legislature; and

490 (ii) notwithstanding Subsection (19)(a)(i), correspondence that gives notice of

491 legislative action or policy may not be classified as protected under this section; and
492 (b) (i) an internal communication that is part of the deliberative process in connection
493 with the preparation of legislation between:
494 (A) members of a legislative body;
495 (B) a member of a legislative body and a member of the legislative body's staff; or
496 (C) members of a legislative body's staff; and
497 (ii) notwithstanding Subsection (19)(b)(i), a communication that gives notice of
498 legislative action or policy may not be classified as protected under this section;
499 (20) (a) records in the custody or control of the Office of Legislative Research and
500 General Counsel, that, if disclosed, would reveal a particular legislator's contemplated
501 legislation or contemplated course of action before the legislator has elected to support the
502 legislation or course of action, or made the legislation or course of action public; and
503 (b) notwithstanding Subsection (20)(a), the form to request legislation submitted to the
504 Office of Legislative Research and General Counsel is a public document unless a legislator
505 asks that the records requesting the legislation be maintained as protected records until such
506 time as the legislator elects to make the legislation or course of action public;
507 (21) research requests from legislators to the Office of Legislative Research and
508 General Counsel or the Office of the Legislative Fiscal Analyst and research findings prepared
509 in response to these requests;
510 (22) drafts, unless otherwise classified as public;
511 (23) records concerning a governmental entity's strategy about collective bargaining or
512 pending litigation;
513 (24) records of investigations of loss occurrences and analyses of loss occurrences that
514 may be covered by the Risk Management Fund, the Employers' Reinsurance Fund, the
515 Uninsured Employers' Fund, or similar divisions in other governmental entities;
516 (25) records, other than personnel evaluations, that contain a personal recommendation
517 concerning an individual if disclosure would constitute a clearly unwarranted invasion of
518 personal privacy, or disclosure is not in the public interest;
519 (26) records that reveal the location of historic, prehistoric, paleontological, or
520 biological resources that if known would jeopardize the security of those resources or of
521 valuable historic, scientific, educational, or cultural information;

522 (27) records of independent state agencies if the disclosure of the records would
523 conflict with the fiduciary obligations of the agency;

524 (28) records of an institution within the state system of higher education defined in
525 Section 53B-1-102 regarding tenure evaluations, appointments, applications for admissions,
526 retention decisions, and promotions, which could be properly discussed in a meeting closed in
527 accordance with Title 52, Chapter 4, Open and Public Meetings Act, provided that records of
528 the final decisions about tenure, appointments, retention, promotions, or those students
529 admitted, may not be classified as protected under this section;

530 (29) records of the governor's office, including budget recommendations, legislative
531 proposals, and policy statements, that if disclosed would reveal the governor's contemplated
532 policies or contemplated courses of action before the governor has implemented or rejected
533 those policies or courses of action or made them public;

534 (30) records of the Office of the Legislative Fiscal Analyst relating to budget analysis,
535 revenue estimates, and fiscal notes of proposed legislation before issuance of the final
536 recommendations in these areas;

537 (31) records provided by the United States or by a government entity outside the state
538 that are given to the governmental entity with a requirement that they be managed as protected
539 records if the providing entity certifies that the record would not be subject to public disclosure
540 if retained by it;

541 (32) transcripts, minutes, or reports of the closed portion of a meeting of a public body
542 except as provided in Section 52-4-206;

543 (33) records that would reveal the contents of settlement negotiations but not including
544 final settlements or empirical data to the extent that they are not otherwise exempt from
545 disclosure;

546 (34) memoranda prepared by staff and used in the decision-making process by an
547 administrative law judge, a member of the Board of Pardons and Parole, or a member of any
548 other body charged by law with performing a quasi-judicial function;

549 (35) records that would reveal negotiations regarding assistance or incentives offered
550 by or requested from a governmental entity for the purpose of encouraging a person to expand
551 or locate a business in Utah, but only if disclosure would result in actual economic harm to the
552 person or place the governmental entity at a competitive disadvantage, but this section may not

553 be used to restrict access to a record evidencing a final contract;

554 (36) materials to which access must be limited for purposes of securing or maintaining
555 the governmental entity's proprietary protection of intellectual property rights including patents,
556 copyrights, and trade secrets;

557 (37) the name of a donor or a prospective donor to a governmental entity, including an
558 institution within the state system of higher education defined in Section 53B-1-102, and other
559 information concerning the donation that could reasonably be expected to reveal the identity of
560 the donor, provided that:

561 (a) the donor requests anonymity in writing;

562 (b) any terms, conditions, restrictions, or privileges relating to the donation may not be
563 classified protected by the governmental entity under this Subsection (37); and

564 (c) except for an institution within the state system of higher education defined in
565 Section 53B-1-102, the governmental unit to which the donation is made is primarily engaged
566 in educational, charitable, or artistic endeavors, and has no regulatory or legislative authority
567 over the donor, a member of the donor's immediate family, or any entity owned or controlled
568 by the donor or the donor's immediate family;

569 (38) accident reports, except as provided in Sections 41-6a-404, 41-12a-202, and
570 73-18-13;

571 (39) a notification of workers' compensation insurance coverage described in Section
572 34A-2-205;

573 (40) (a) the following records of an institution within the state system of higher
574 education defined in Section 53B-1-102, which have been developed, discovered, disclosed to,
575 or received by or on behalf of faculty, staff, employees, or students of the institution:

576 (i) unpublished lecture notes;

577 (ii) unpublished notes, data, and information:

578 (A) relating to research; and

579 (B) of:

580 (I) the institution within the state system of higher education defined in Section
581 53B-1-102; or

582 (II) a sponsor of sponsored research;

583 (iii) unpublished manuscripts;

584 (iv) creative works in process;
585 (v) scholarly correspondence; and
586 (vi) confidential information contained in research proposals;
587 (b) Subsection (40)(a) may not be construed to prohibit disclosure of public
588 information required pursuant to Subsection 53B-16-302(2)(a) or (b); and
589 (c) Subsection (40)(a) may not be construed to affect the ownership of a record;
590 (41) (a) records in the custody or control of the Office of Legislative Auditor General
591 that would reveal the name of a particular legislator who requests a legislative audit prior to the
592 date that audit is completed and made public; and
593 (b) notwithstanding Subsection (41)(a), a request for a legislative audit submitted to the
594 Office of the Legislative Auditor General is a public document unless the legislator asks that
595 the records in the custody or control of the Office of Legislative Auditor General that would
596 reveal the name of a particular legislator who requests a legislative audit be maintained as
597 protected records until the audit is completed and made public;
598 (42) records that provide detail as to the location of an explosive, including a map or
599 other document that indicates the location of:
600 (a) a production facility; or
601 (b) a magazine;
602 (43) information:
603 (a) contained in the statewide database of the Division of Aging and Adult Services
604 created by Section 62A-3-311.1; or
605 (b) received or maintained in relation to the Identity Theft Reporting Information
606 System (IRIS) established under Section 67-5-22;
607 (44) information contained in the Management Information System and Licensing
608 Information System described in Title 62A, Chapter 4a, Child and Family Services;
609 (45) information regarding National Guard operations or activities in support of the
610 National Guard's federal mission;
611 (46) records provided by any pawn or secondhand business to a law enforcement
612 agency or to the central database in compliance with Title 13, Chapter 32a, Pawnshop and
613 Secondhand Merchandise Transaction Information Act;
614 (47) information regarding food security, risk, and vulnerability assessments performed

615 by the Department of Agriculture and Food;

616 (48) except to the extent that the record is exempt from this chapter pursuant to Section
617 63G-2-106, records related to an emergency plan or program prepared or maintained by the
618 Division of Homeland Security the disclosure of which would jeopardize:

619 (a) the safety of the general public; or

620 (b) the security of:

621 (i) governmental property;

622 (ii) governmental programs; or

623 (iii) the property of a private person who provides the Division of Homeland Security
624 information;

625 (49) records of the Department of Agriculture and Food relating to the National
626 Animal Identification System or any other program that provides for the identification, tracing,
627 or control of livestock diseases, including any program established under Title 4, Chapter 24,
628 Utah Livestock Brand and Anti-theft Act or Title 4, Chapter 31, Livestock Inspection and
629 Quarantine;

630 (50) as provided in Section 26-39-501:

631 (a) information or records held by the Department of Health related to a complaint
632 regarding a child care program or residential child care which the department is unable to
633 substantiate; and

634 (b) information or records related to a complaint received by the Department of Health
635 from an anonymous complainant regarding a child care program or residential child care;

636 (51) unless otherwise classified as public under Section 63G-2-301 and except as
637 provided under Section 41-1a-116, an individual's home address, home telephone number, or
638 personal mobile phone number, if:

639 (a) the individual is required to provide the information in order to comply with a law,
640 ordinance, rule, or order of a government entity; and

641 (b) the subject of the record has a reasonable expectation that this information will be
642 kept confidential due to:

643 (i) the nature of the law, ordinance, rule, or order; and

644 (ii) the individual complying with the law, ordinance, rule, or order;

645 (52) the name, home address, work addresses, and telephone numbers of an individual

646 that is engaged in, or that provides goods or services for, medical or scientific research that is:

647 (a) conducted within the state system of higher education, as defined in Section

648 53B-1-102; and

649 (b) conducted using animals;

650 (53) an initial proposal under Title 63M, Chapter 1, Part 26, Government Procurement
651 Private Proposal Program, to the extent not made public by rules made under that chapter;

652 (54) information collected and a report prepared by the Judicial Performance

653 Evaluation Commission concerning a judge, unless Section 20A-7-702 or Title 78A, Chapter
654 12, Judicial Performance Evaluation Commission Act, requires disclosure of, or makes public,
655 the information or report;

656 (55) (a) records of the Utah Educational Savings Plan created under Section

657 53B-8a-103 if the disclosure of the records would conflict with its fiduciary obligations;

658 (b) proposals submitted to the Utah Educational Savings Plan; and

659 (c) contracts entered into by the Utah Educational Savings Plan and the related
660 payments;

661 (56) records contained in the Management Information System created in Section
662 62A-4a-1003;

663 (57) records provided or received by the Public Lands Policy Coordinating Office in
664 furtherance of any contract or other agreement made in accordance with Section 63J-4-603;

665 (58) information requested by and provided to the Utah State 911 Committee under
666 Section 53-10-602;

667 (59) recorded Children's Justice Center investigative interviews, both video and audio,
668 the release of which are governed by Section 77-37-4; ~~and~~

669 (60) in accordance with Section 73-10-33:

670 (a) a management plan for a water conveyance facility in the possession of the Division
671 of Water Resources or the Board of Water Resources; or

672 (b) an outline of an emergency response plan in possession of the state or a county or
673 municipality[-];

674 (61) the following records in the custody or control of the Office of Inspector General
675 of Medicaid Services, created in Section 67-3a-201:

676 (a) records that would disclose information relating to allegations of personal

677 misconduct, gross mismanagement, or illegal activity of a person if the information or
678 allegation cannot be corroborated by the Office of Inspector General of Medicaid Services
679 through other documents or evidence, and the records relating to the allegation are not relied
680 upon by the Office of Inspector General of Medicaid Services in preparing a final investigation
681 report or final audit report;

682 (b) records and audit workpapers to the extent they would disclose the identity of a
683 person who, during the course of an investigation or audit, communicated the existence of any
684 Medicaid fraud, waste, or abuse, or a violation or suspected violation of a law, rule, or
685 regulation adopted under the laws of this state, a political subdivision of the state, or any
686 recognized entity of the United States, if the information was disclosed on the condition that
687 the identity of the person be protected;

688 (c) before the time that an investigation or audit is completed and the final
689 investigation or final audit report is released, records or drafts circulated to a person who is not
690 an employee or head of a governmental entity for the person's response or information;

691 (d) records that would disclose an outline or part of any investigation, audit survey
692 plan, or audit program; or

693 (e) requests for an investigation or audit, if disclosure would risk circumvention of an
694 investigation or audit; and

695 (62) records that reveal methods used by the Office of Inspector General of Medicaid
696 Services, the fraud unit, or the Department of Health, to discover Medicaid fraud, waste, or
697 abuse.

698 Section 5. Section **63I-2-263** is amended to read:

699 **63I-2-263. Repeal dates, Title 63A to Title 63M.**

700 (1) Subsection 63G-1-401(5) is repealed on May 10, 2011.

701 (2) Sections 67-3a-206 and 67-3a-207 are repealed on December 31, 2011.

702 Section 6. Section **67-3-1** is amended to read:

703 **67-3-1. Functions and duties.**

704 (1) (a) The state auditor is the auditor of public accounts and is independent of any
705 executive or administrative officers of the state.

706 (b) The state auditor is not limited in the selection of personnel or in the determination
707 of the reasonable and necessary expenses of the state auditor's office.

708 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
709 financial statements showing:

- 710 (a) the condition of the state's finances;
- 711 (b) the revenues received or accrued;
- 712 (c) expenditures paid or accrued;
- 713 (d) the amount of unexpended or unencumbered balances of the appropriations to the
714 agencies, departments, divisions, commissions, and institutions; and
- 715 (e) the cash balances of the funds in the custody of the state treasurer.

716 (3) (a) The state auditor shall:

717 (i) audit each permanent fund, each special fund, the General Fund, and the accounts of
718 any department of state government or any independent agency or public corporation as the law
719 requires, as the auditor determines is necessary, or upon request of the governor or the
720 Legislature;

721 (ii) perform the audits in accordance with generally accepted auditing standards and
722 other auditing procedures as promulgated by recognized authoritative bodies;

723 (iii) as the auditor determines is necessary, conduct the audits to determine:

- 724 (A) honesty and integrity in fiscal affairs;
- 725 (B) accuracy and reliability of financial statements;
- 726 (C) effectiveness and adequacy of financial controls; and
- 727 (D) compliance with the law.

728 (b) If any state entity receives federal funding, the state auditor shall ensure that the
729 audit is performed in accordance with federal audit requirements.

730 (c) (i) The costs of the federal compliance portion of the audit may be paid from an
731 appropriation to the state auditor from the General Fund.

732 (ii) If an appropriation is not provided, or if the federal government does not
733 specifically provide for payment of audit costs, the costs of the federal compliance portions of
734 the audit shall be allocated on the basis of the percentage that each state entity's federal funding
735 bears to the total federal funds received by the state.

736 (iii) The allocation shall be adjusted to reflect any reduced audit time required to audit
737 funds passed through the state to local governments and to reflect any reduction in audit time
738 obtained through the use of internal auditors working under the direction of the state auditor.

739 (4) (a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to
740 financial audits, and as the auditor determines is necessary, conduct performance and special
741 purpose audits, examinations, and reviews of any entity that receives public funds, including a
742 determination of any or all of the following:

743 (i) the honesty and integrity of all its fiscal affairs;

744 (ii) whether or not its administrators have faithfully complied with legislative intent;

745 (iii) whether or not its operations have been conducted in an efficient, effective, and
746 cost-efficient manner;

747 (iv) whether or not its programs have been effective in accomplishing the intended
748 objectives; and

749 (v) whether or not its management, control, and information systems are adequate and
750 effective.

751 (b) The auditor may not conduct performance and special purpose audits,
752 examinations, and reviews of any entity that receives public funds if the entity:

753 (i) has an elected auditor; and

754 (ii) has, within the entity's last budget year, had its financial statements or performance
755 formally reviewed by another outside auditor.

756 (c) In accordance with Section 67-3a-201, the governor shall appoint, with the advice
757 and consent of the Senate, the inspector general of the Office of Inspector General of Medicaid
758 Services.

759 (d) The Office of Inspector General of Medicaid Services is considered part of the state
760 auditor's office for purposes of administration.

761 (e) The Office of Inspector General of Medicaid Services may audit work performed by
762 the state auditor before becoming the state auditor, if:

763 (i) the audit is permitted under Chapter 3a, Office of Inspector General of Medicaid
764 Services;

765 (ii) the state auditor is screened from any involvement in, and any information or
766 oversight related to, the audit; and

767 (iii) the inspector general reports directly to the governor in relation to the audit.

768 (5) The state auditor shall administer any oath or affirmation necessary to the
769 performance of the duties of the auditor's office, and may subpoena witnesses and documents,

770 whether electronic or otherwise, and examine into any matter that the auditor considers
771 necessary.

772 (6) The state auditor may require all persons who have had the disposition or
773 management of any property of this state or its political subdivisions to submit statements
774 regarding it at the time and in the form that the auditor requires.

775 (7) The state auditor shall:

776 (a) except where otherwise provided by law, institute suits in Salt Lake County in
777 relation to the assessment, collection, and payment of its revenues against:

778 (i) persons who by any means have become entrusted with public monies or property
779 and have failed to pay over or deliver those monies or property; and

780 (ii) all debtors of the state;

781 (b) collect and pay into the state treasury all fees received by the state auditor;

782 (c) perform the duties of a member of all boards of which the state auditor is a member
783 by the constitution or laws of the state, and any other duties that are prescribed by the
784 constitution and by law;

785 (d) stop the payment of the salary of any state official or state employee who:

786 (i) refuses to settle accounts or provide required statements about the custody and
787 disposition of public funds or other state property;

788 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
789 board or department head with respect to the manner of keeping prescribed accounts or funds;
790 or

791 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
792 official's or employee's attention;

793 (e) establish accounting systems, methods, and forms for public accounts in all taxing
794 or fee-assessing units of the state in the interest of uniformity, efficiency, and economy;

795 (f) superintend the contractual auditing of all state accounts;

796 (g) subject to Subsection (8), withhold state allocated funds or the disbursement of
797 property taxes from any state taxing or fee-assessing unit, if necessary, to ensure that officials
798 and employees in those taxing units of the state comply with state laws and procedures in the
799 budgeting, expenditures, and financial reporting of public funds; and

800 (h) subject to Subsection (9), withhold the disbursement of tax monies from any

801 county, if necessary, to ensure that officials and employees in the county comply with Section
802 59-2-303.1.

803 (8) Except as otherwise provided by law, the state auditor may not withhold funds
804 under Subsection (7)(g) until a taxing or fee-assessing unit has received formal written notice
805 of noncompliance from the auditor and has been given 60 days to make the specified
806 corrections.

807 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
808 received formal written notice of noncompliance from the auditor and has been given 60 days
809 to make the specified corrections.

810 (10) The state auditor shall:

811 (a) establish audit guidelines and procedures for audits of local mental health and
812 substance abuse authorities and their contract providers, conducted pursuant to Title 17,
813 Chapter 43, Parts 2, Local Substance Abuse Authorities and 3, Local Mental Health
814 Authorities, Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal
815 Organizations, and Other Local Entities Act, and Title 62A, Chapter 15, Substance Abuse and
816 Mental Health Act; and

817 (b) ensure that those guidelines and procedures provide assurances to the state that:

818 (i) state and federal funds appropriated to local mental health authorities are used for
819 mental health purposes;

820 (ii) a private provider under an annual or otherwise ongoing contract to provide
821 comprehensive mental health programs or services for a local mental health authority is in
822 compliance with state and local contract requirements, and state and federal law;

823 (iii) state and federal funds appropriated to local substance abuse authorities are used
824 for substance abuse programs and services; and

825 (iv) a private provider under an annual or otherwise ongoing contract to provide
826 comprehensive substance abuse programs or services for a local substance abuse authority is in
827 compliance with state and local contract requirements, and state and federal law.

828 (11) The state auditor may, in accordance with the auditor's responsibilities for political
829 subdivisions of the state as provided in Title 51, Chapter 2a, Accounting Reports from Political
830 Subdivisions, Interlocal Organizations, and Other Local Entities Act, initiate audits or
831 investigations of any political subdivision that are necessary to determine honesty and integrity

832 in fiscal affairs, accuracy and reliability of financial statements, effectiveness, and adequacy of
833 financial controls and compliance with the law.

834 (12) Except as provided in Subsection (4)(e):

835 ~~[(12)]~~ (a) ~~[The]~~ the state auditor may not audit work that the state auditor performed
836 before becoming state auditor[-]; and

837 (b) ~~[If]~~ if the state auditor has previously been a responsible official in state
838 government whose work has not yet been audited, the Legislature shall:

839 (i) designate how that work shall be audited; and

840 (ii) provide additional funding for those audits, if necessary.

841 (13) The state auditor shall:

842 (a) with the assistance, advice, and recommendations of an advisory committee
843 appointed by the state auditor from among local district boards of trustees, officers, and
844 employees and special service district boards, officers, and employees:

845 (i) prepare a Uniform Accounting Manual for Local Districts that:

846 (A) prescribes a uniform system of accounting and uniform budgeting and reporting
847 procedures for local districts under Title 17B, Limited Purpose Local Government Entities -
848 Local Districts, and special service districts under Title 17D, Chapter 1, Special Service
849 District Act;

850 (B) conforms with generally accepted accounting principles; and

851 (C) prescribes reasonable exceptions and modifications for smaller districts to the
852 uniform system of accounting, budgeting, and reporting;

853 (ii) maintain the manual under Subsection (13)(a) so that it continues to reflect
854 generally accepted accounting principles;

855 (iii) conduct a continuing review and modification of procedures in order to improve
856 them;

857 (iv) prepare and supply each district with suitable budget and reporting forms; and

858 (v) prepare instructional materials, conduct training programs, and render other
859 services considered necessary to assist local districts and special service districts in
860 implementing the uniform accounting, budgeting, and reporting procedures; and

861 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
862 and experiences of specific local districts and special service districts selected by the state

863 auditor and make the information available to all districts.

864 (14) (a) The following records in the custody or control of the state auditor are
865 protected records under Title 63G, Chapter 2, Government Records Access and Management
866 Act:

867 (i) records that would disclose information relating to allegations of personal
868 misconduct, gross mismanagement, or illegal activity of a past or present governmental
869 employee if the information or allegation cannot be corroborated by the state auditor through
870 other documents or evidence, and the records relating to the allegation are not relied upon by
871 the state auditor in preparing a final audit report;

872 (ii) records and audit workpapers to the extent they would disclose the identity of a
873 person who during the course of an audit, communicated the existence of any waste of public
874 funds, property, or manpower, or a violation or suspected violation of a law, rule, or regulation
875 adopted under the laws of this state, a political subdivision of the state, or any recognized entity
876 of the United States, if the information was disclosed on the condition that the identity of the
877 person be protected;

878 (iii) before an audit is completed and the final audit report is released, records or drafts
879 circulated to a person who is not an employee or head of a governmental entity for their
880 response or information;

881 (iv) records that would disclose an outline or part of any audit survey plans or audit
882 program; and

883 (v) requests for audits, if disclosure would risk circumvention of an audit.

884 (b) The provisions of Subsections (14)(a)(i), (ii), and (iii) do not prohibit the disclosure
885 of records or information that relate to a violation of the law by a governmental entity or
886 employee to a government prosecutor or peace officer.

887 (c) The provisions of this Subsection (14) do not limit the authority otherwise given to
888 the state auditor to classify a document as public, private, controlled, or protected under Title
889 63G, Chapter 2, Government Records Access and Management Act.

890 Section 7. Section **67-3a-101** is enacted to read:

891 **CHAPTER 3a. OFFICE OF INSPECTOR GENERAL OF MEDICAID SERVICES**

892 **Part 1. General Provisions**

893 **67-3a-101. Title.**

894 This chapter is known as "Office of Inspector General of Medicaid Services."
895 Section 8. Section **67-3a-102** is enacted to read:
896 **67-3a-102. Definitions.**
897 As used in this chapter:
898 (1) "Abuse" means:
899 (a) an action or practice that:
900 (i) is inconsistent with sound fiscal, business, or medical practices; and
901 (ii) results, or may result, in unnecessary Medicaid related costs; or
902 (b) reckless or negligent upcoding.
903 (2) "Claimant" means a person that:
904 (a) provides a service; and
905 (b) submits a claim for Medicaid reimbursement for the service.
906 (3) "Department" means the Department of Health, created in Section 26-1-4.
907 (4) "Division" means the Division of Health Care Financing, created in Section
908 26-18-2.1.
909 (5) "Fraud" means intentional or knowing:
910 (a) deception, misrepresentation, or upcoding in relation to Medicaid funds, costs, a
911 claim, reimbursement, or services; or
912 (b) a violation of a provision of Subsections 26-20-3 through 26-20-7.
913 (6) "Fraud unit" means the Medicaid Fraud Control Unit of the attorney general's
914 office.
915 (7) "Health care professional" means a person licensed under:
916 (a) Title 58, Chapter 5a, Podiatric Physician Licensing Act;
917 (b) Title 58, Chapter 16a, Utah Optometry Practice Act;
918 (c) Title 58, Chapter 17b, Pharmacy Practice Act;
919 (d) Title 58, Chapter 24b, Physical Therapy Practice Act;
920 (e) Title 58, Chapter 31b, Nurse Practice Act;
921 (f) Title 58, Chapter 40, Recreational Therapy Practice Act;
922 (g) Title 58, Chapter 41, Speech-language Pathology and Audiology Licensing Act;
923 (h) Title 58, Chapter 42a, Occupational Therapy Practice Act;
924 (i) Title 58, Chapter 44a, Nurse Midwife Practice Act;

- 925 (j) Title 58, Chapter 49, Dietitian Certification Act;
 926 (k) Title 58, Chapter 60, Mental Health Professional Practice Act;
 927 (l) Title 58, Chapter 67, Utah Medical Practice Act;
 928 (m) Title 58, Chapter 68, Utah Osteopathic Medical Practice Act;
 929 (n) Title 58, Chapter 69, Dentist and Dental Hygienist Practice Act;
 930 (o) Title 58, Chapter 70a, Physician Assistant Act; and
 931 (p) Title 58, Chapter 73, Chiropractic Physician Practice Act.
 932 (8) "Inspector general" means the inspector general of the office, appointed under
 933 Section 67-3a-201.
 934 (9) "Office" means the Office of Inspector General of Medicaid Services, created in
 935 Section 67-3a-201.
 936 (10) "Provider" means a person that provides:
 937 (a) medical assistance, including supplies or services, in exchange, directly or
 938 indirectly, for Medicaid funds; or
 939 (b) billing or recordkeeping services relating to Medicaid funds.
 940 (11) "Upcoding" means assigning an inaccurate billing code for a service that is
 941 payable or reimbursable by Medicaid funds, if the correct billing code for the service, taking
 942 into account reasonable opinions derived from official published coding definitions, would
 943 result in a lower Medicaid payment or reimbursement.
 944 (12) "Waste" means overutilization of resources or inappropriate payment.

945 Section 9. Section **67-3a-201** is enacted to read:

946 **Part 2. Office Duties and Powers**

947 **67-3a-201. Creation of office -- Inspector general -- Appointment -- Term.**

- 948 (1) There is created, within the Office of the State Auditor, the Office of Inspector
 949 General of Medicaid Services.
 950 (2) The governor shall appoint the inspector general, with the advice and consent of the
 951 Senate.
 952 (3) A person appointed as the inspector general shall:
 953 (a) be a certified public accountant or a certified internal auditor; and
 954 (b) have the following qualifications:
 955 (i) a general knowledge of the type of methodology and controls necessary to audit,

956 investigate, and identify fraud, waste, and abuse;
957 (ii) strong management skills;
958 (iii) extensive knowledge of, and at least seven years experience with, performance
959 audit methodology;
960 (iv) the ability to oversee and execute an audit; and
961 (v) strong interpersonal skills.
962 (4) The inspector general:
963 (a) shall serve a term of six years; and
964 (b) may be removed by the governor, for cause.
965 (5) If the inspector general is removed for cause, a new inspector general shall be
966 appointed, with the advice and consent of the Senate, to serve a six-year term.

967 Section 10. Section **67-3a-202** is enacted to read:

968 **67-3a-202. Duties and powers of inspector general and office.**

969 (1) The inspector general shall:

970 (a) administer, direct, and manage the office;

971 (b) inspect and monitor the following in relation to the state Medicaid program:

972 (i) the use and expenditure of federal and state funds;

973 (ii) the provision of health benefits and other services;

974 (iii) implementation of, and compliance with, state and federal requirements; and

975 (iv) records and recordkeeping procedures;

976 (c) receive reports of potential fraud, waste, or abuse in the state Medicaid program;

977 (d) investigate and identify potential or actual fraud, waste, or abuse in the state

978 Medicaid program;

979 (e) consult with the Centers for Medicaid and Medicare Services and other states to
980 determine and implement best practices for discovering and eliminating fraud, waste, and
981 abuse of Medicaid funds;

982 (f) obtain, develop, and utilize computer algorithms to, with fairness and accuracy,
983 identify fraud, waste, or abuse in the state Medicaid program;

984 (g) work closely with the fraud unit to identify and recover improperly or fraudulently
985 expended Medicaid funds;

986 (h) audit, inspect, and evaluate the functioning of the division to ensure that the state

987 Medicaid program is managed in the most efficient and cost-effective manner possible;

988 (i) regularly advise the department and the division of an action that should be taken to
989 ensure that the state Medicaid program is managed in the most efficient and cost-effective
990 manner possible;

991 (j) refer potential criminal conduct, relating to Medicaid funds or the state Medicaid
992 program, to the fraud unit;

993 (k) determine ways to:

994 (i) identify, prevent, and reduce fraud, waste, and abuse in the state Medicaid program;

995 and

996 (ii) recoup costs, reduce costs, and avoid or minimize increased costs of the state

997 Medicaid program;

998 (l) seek recovery of improperly paid Medicaid funds;

999 (m) track recovery of Medicaid funds by the state;

1000 (n) in accordance with Section 67-3a-501:

1001 (i) report on the actions and findings of the inspector general; and

1002 (ii) make recommendations to the Legislature and the governor;

1003 (o) provide training to agencies and employees on identifying potential fraud, waste, or
1004 abuse of Medicaid funds; and

1005 (p) develop and implement principles and standards for the fulfillment of the duties of
1006 the inspector general, based on principles and standards used by:

1007 (i) the Federal Offices of Inspector General;

1008 (ii) the Association of Inspectors General; and

1009 (iii) the United States Government Accountability Office.

1010 (2) The office may conduct a performance or financial audit of:

1011 (a) a state executive branch entity or a local government entity, including an entity
1012 described in Subsection 67-3a-301(3), that:

1013 (i) manages or oversees a state Medicaid program; or

1014 (ii) manages or oversees the use or expenditure of state or federal Medicaid funds; or

1015 (b) Medicaid funds received by a person by a grant from, or under contract with, a state
1016 executive branch entity or a local government entity.

1017 (3) The inspector general, or a designee of the inspector general within the office, may

1018 take a sworn statement or administer an oath.

1019 Section 11. Section **67-3a-203** is enacted to read:

1020 **67-3a-203. Memorandum of understanding with fraud unit.**

1021 The inspector general shall enter into a memorandum of understanding with the fraud

1022 unit to:

1023 (1) formalize communication, cooperation, coordination of efforts, and the sharing of
1024 information, on a regular basis, between the office and the fraud unit;

1025 (2) provide for reporting criminal activity discovered by the office to the fraud unit;

1026 (3) ensure that investigations and other actions by the office and the fraud unit do not
1027 conflict; and

1028 (4) provide for the sharing and classification of records between the office and the
1029 fraud unit under the Government Records Access and Management Act.

1030 Section 12. Section **67-3a-204** is enacted to read:

1031 **67-3a-204. Selection and review of claims.**

1032 (1) On an annual basis, the office shall select and review a representative sample of
1033 claims submitted for reimbursement under the state Medicaid program to determine whether
1034 fraud, waste, or abuse occurred.

1035 (2) The office may directly contact the recipient of record for a Medicaid reimbursed
1036 service to determine whether the service for which reimbursement was claimed was actually
1037 provided to the recipient of record.

1038 (3) The office shall generate statistics from the sample described in Subsection (1) to
1039 determine the type of fraud, waste, or abuse that is most advantageous to focus on in future
1040 audits or investigations.

1041 Section 13. Section **67-3a-205** is enacted to read:

1042 **67-3a-205. Placement of hold on claims for reimbursement -- Injunction.**

1043 (1) The inspector general or the inspector general's designee may, without prior notice,
1044 order a hold on the payment of a claim for reimbursement submitted by a claimant if there is
1045 reasonable cause to believe that the claim, or payment of the claim, constitutes fraud, waste, or
1046 abuse, or is otherwise inaccurate.

1047 (2) The office shall, within seven days after the day on which a hold described in
1048 Subsection (1) is ordered, notify the claimant that the hold has been placed.

1049 (3) The inspector general or the inspector general's designee may not maintain a hold
1050 longer than is necessary to determine whether the claim, or payment of the claim, constitutes
1051 fraud, waste, or abuse, or is otherwise inaccurate.

1052 (4) A claimant may, at any time during which a hold is in place, appeal the hold under
1053 Title 63G, Chapter 4, Administrative Procedures Act.

1054 (5) If a claim is approved or denied before a hearing is held under Title 63G, Chapter 4,
1055 Administrative Procedures Act, the appeal shall be dismissed as moot.

1056 (6) The inspector general may request that the attorney general's office seek an
1057 injunction to prevent a person from disposing of an asset that is potentially subject to recovery
1058 by the state to recover funds due to a person's fraud or abuse.

1059 (7) The department and the division shall fully comply with a hold ordered under this
1060 section.

1061 Section 14. Section **67-3a-206** is enacted to read:

1062 **67-3a-206. Transfer of full-time equivalents to staff office.**

1063 The office shall be staffed by transferring from the Office of Internal Audit and
1064 Program Integrity to the office all full-time equivalents for the following positions, as they
1065 existed and were organized within the Office of Internal Audit and Program Integrity on
1066 September 28, 2010, as shown in Appendix B of the Performance Audit of Utah Medicaid
1067 Provider Cost Control, dated December 2010 and published by the Office of the Legislative
1068 Auditor General:

1069 (1) the director of the Office of Internal Audit and Program Integrity;

1070 (2) the executive secretary to the director of the Office of Internal Audit and Program
1071 Integrity;

1072 (3) two positions of program manager of Program Integrity Post Payment Review;

1073 (4) all positions under the positions described in Subsection (3), including:

1074 (a) four RN III positions;

1075 (b) the position of RN III that was vacant on September 28, 2010;

1076 (c) the position of office specialist I that was vacant on September 28, 2010;

1077 (d) doctor (0.2 FTE);

1078 (e) two positions of doctor (0.5 FTE each);

1079 (f) data HPS III;

- 1080 (g) the position of data HPS II that was vacant on September 28, 2010;
- 1081 (h) collections HPS II;
- 1082 (i) PERM Lead;
- 1083 (j) PERM HPS II; and
- 1084 (k) PERM HPS II;
- 1085 (5) the audit manager (performance audit); and
- 1086 (6) all positions under the position described in Subsection (5), including:
- 1087 (a) two positions of Lead Auditor;
- 1088 (b) two positions of Auditor II, including the one that was vacant on September 28,
- 1089 2010; and
- 1090 (c) OIAS Support.

Section 15. Section **67-3a-207** is enacted to read:

67-3a-207. Filling of transferred positions.

The executive director of the department and the inspector general shall meet to determine which individuals, if any, who currently hold the positions represented by the full-time equivalents described in Section 67-3a-206, will fill positions in the office. Any disagreement regarding transferring of personnel shall be resolved by the governor.

Section 16. Section **67-3a-301** is enacted to read:

Part 3. Investigation or Audit

67-3a-301. Access to records -- Retention of designation under Government Records Access and Management Act.

(1) In order to fulfill the duties described in Section 67-3a-202, the office shall have unrestricted access to all records of state executive branch entities, all local government entities, and all providers relating, directly or indirectly, to:

- 1104 (a) the state Medicaid program;
- 1105 (b) state or federal Medicaid funds;
- 1106 (c) the provision of Medicaid related services;
- 1107 (d) the regulation or management of any aspect of the state Medicaid program;
- 1108 (e) the use or expenditure of state or federal Medicaid funds;
- 1109 (f) suspected or proven fraud, waste, or abuse of state or federal Medicaid funds;
- 1110 (g) Medicaid program policies, practices, and procedures;

- 1111 (h) monitoring of Medicaid services or funds; or
1112 (i) a fatality review of a person who received Medicaid funded services.
1113 (2) The office shall have access to information in any database maintained by the state
1114 or a local government to verify identity, income, employment status, or other factors that affect
1115 eligibility for Medicaid services.
1116 (3) The records described in Subsections (1) and (2) include records held or maintained
1117 by the department, the division, the Department of Human Services, the Department of
1118 Workforce Services, a local health department, a local mental health authority, or a school
1119 district. The records described in Subsection (1) include records held or maintained by a
1120 provider. When conducting an audit of a provider, the office shall, to the extent possible, limit
1121 the records accessed to the scope of the audit.
1122 (4) A record, described in Subsection (1) or (2), that is accessed or copied by the
1123 office:
1124 (a) may be reviewed or copied by the office during normal business hours; and
1125 (b) if it is a government record, shall retain the classification made by the entity
1126 responsible for the record, under Title 63G, Chapter 2, Government Records Access and
1127 Management Act.
1128 (5) Notwithstanding any provision of state law to the contrary, the office shall have the
1129 same access to all records, information, and databases that the department or the division have
1130 access to.
1131 (6) The office shall comply with the requirements of federal law, including the Health
1132 Insurance Portability and Accountability Act of 1996 and 42 C.F.R., Part 2, relating to the
1133 confidentiality of alcohol and drug abuse records, in the office's:
1134 (a) access, review, retention, and use of records; and
1135 (b) use of information included in, or derived from, records.
1136 Section 17. Section **67-3a-302** is enacted to read:
1137 **67-3a-302. Access to employees -- Cooperating with investigation or audit.**
1138 (1) The office shall have access to interview the following persons if the inspector
1139 general determines that the interview may assist the inspector general in fulfilling the duties
1140 described in Section 67-3a-202:
1141 (a) a state executive branch official, executive director, director, or employee;

- 1142 (b) a local government official or employee;
- 1143 (c) a consultant or contractor of a person described in Subsection (1)(a) or (b); or
- 1144 (d) a provider or an employee of a provider.

1145 (2) A person described in Subsection (1) and each supervisor of the person shall fully
1146 cooperate with the office by:

1147 (a) providing the office or the inspector general's designee with access to interview the
1148 person;

1149 (b) completely and truthfully answering questions asked by the office or the inspector
1150 general's designee;

1151 (c) providing the records, described in Subsection 67-3a-301(1), requested by the office
1152 or the inspector general's designee; and

1153 (d) providing the office or the inspector general's designee with information relating to
1154 the office's investigation or audit.

1155 (3) A person described in Subsection (1)(a) or (b) and each supervisor of the person
1156 shall fully cooperate with the office by:

1157 (a) providing records requested by the office or the inspector general's designee; and

1158 (b) providing the office or the inspector general's designee with information relating to
1159 the office's investigation or audit, including information that is classified as private, controlled,
1160 or protected under Title 63G, Chapter 2, Government Records Access and Management Act.

1161 Section 18. Section **67-3a-303** is enacted to read:

1162 **67-3a-303. Cooperation and support.**

1163 The department, the division, each consultant or contractor of the department or
1164 division, and each provider shall provide its full cooperation and support to the inspector
1165 general and the office in fulfilling the duties of the inspector general and the office.

1166 Section 19. Section **67-3a-304** is enacted to read:

1167 **67-3a-304. Interference with an investigation or audit prohibited.**

1168 No person may:

1169 (1) interfere with or impede an investigation or audit of the office or fraud unit; or

1170 (2) interfere with the office relative to the content of a report, the conclusions reached
1171 in a report, or the manner of disclosing the results and findings of the office.

1172 Section 20. Section **67-3a-401** is enacted to read:

Part 4. Subpoena Power**67-3a-401. Subpoena power -- Enforcement.**

(1) The inspector general has the power to issue a subpoena to obtain a record or interview a person that the office or inspector general has the right to access under Part 3, Investigation or Audit.

(2) A person who fails to comply with a subpoena issued by the inspector general or who refuses to testify regarding a matter upon which the person may be lawfully interrogated:

(a) is in contempt of the inspector general; and

(b) upon request by the inspector general, the attorney general shall:

(i) file a motion for an order to compel obedience to the subpoena with the district court;

(ii) file, with the district court, a motion for an order to show cause why the penalties established in Title 78B, Chapter 6, Part 3, Contempt, should not be imposed upon the person named in the subpoena for contempt of the inspector general; or

(iii) pursue other legal remedies against the person.

(3) Upon receipt of a motion under Subsection (2), the court:

(a) shall expedite the hearing and decision on the motion; and

(b) may:

(i) order the person named in the subpoena to comply with the subpoena; and

(ii) impose any penalties authorized by Title 78B, Chapter 6, Part 3, Contempt, upon the person named in the subpoena for contempt of the inspector general.

(4) (a) If a subpoena described in this section requires the production of accounts, books, papers, documents, or other tangible items, the person or entity to whom it is directed may petition a district court to quash or modify the subpoena at or before the time specified in the subpoena for compliance.

(b) The inspector general may respond to a motion to quash or modify the subpoena by pursuing any remedy authorized by Subsection (3).

(c) If the court finds that a subpoena requiring the production of accounts, books, papers, documents, or other tangible items is unreasonable or oppressive, the court may quash or modify the subpoena.

(5) Nothing in this section prevents the inspector general from seeking an extraordinary

1204 writ to remedy contempt of the inspector general.

1205 (6) Any party aggrieved by a decision of a court under this section may appeal that
1206 decision directly to the Utah Supreme Court.

1207 Section 21. Section **67-3a-501** is enacted to read:

1208 **Part 5. Reporting**

1209 **67-3a-501. Duty to report potential Medicaid fraud to the office or fraud unit.**

1210 (1) A health care professional, a provider, or a state or local government official or
1211 employee who becomes aware of fraud, waste, or abuse shall report the fraud, waste, or abuse
1212 to the office or the fraud unit.

1213 (2) A person who makes a report under Subsection (1) may request that the person's
1214 name not be released in connection with the investigation.

1215 (3) If a request is made under Subsection (2), the person's identity may not be released
1216 to any person or entity other than the office, the fraud unit, or law enforcement, unless a court
1217 of competent jurisdiction orders that the person's identity be released.

1218 Section 22. Section **67-3a-502** is enacted to read:

1219 **67-3a-502. Report and recommendations to governor and Executive**
1220 **Appropriations Committee.**

1221 (1) The inspector general shall, on an annual basis, prepare a written report on the
1222 activities of the office for the preceding fiscal year.

1223 (2) The report shall include:

1224 (a) non-identifying information, including statistical information, on:

1225 (i) the items described in Subsection 67-3a-202(1)(b) and Section 67-3a-204;

1226 (ii) action taken by the office and the result of that action;

1227 (iii) fraud, waste, and abuse in the state Medicaid program;

1228 (iv) the recovery of fraudulent or improper use of state and federal Medicaid funds;

1229 (v) measures taken by the state to discover and reduce fraud, waste, and abuse in the
1230 state Medicaid program;

1231 (vi) audits conducted by the office; and

1232 (vii) investigations conducted by the office and the results of those investigations;

1233 (b) recommendations on action that should be taken by the Legislature or the governor

1234 to:

1235 (i) improve the discovery and reduction of fraud, waste, and abuse in the state
 1236 Medicaid program;
 1237 (ii) improve the recovery of fraudulently or improperly used Medicaid funds; and
 1238 (iii) reduce costs and avoid or minimize increased costs in the state Medicaid program;
 1239 (c) recommendations relating to rules, policies, or procedures of a state or local
 1240 government entity; and

1241 (d) services provided by the state Medicaid program that exceed industry standards.
 1242 (3) The report described in Subsection (1) may not include any information that would
 1243 interfere with or jeopardize an ongoing criminal investigation or other investigation.

1244 (4) The inspector general shall provide the report described in Subsection (1) to the
 1245 Executive Appropriations Committee of the Legislature and to the governor on or before
 1246 October 1 of each year.

1247 (5) The inspector general shall present the report described in Subsection (1) to the
 1248 Executive Appropriations Committee of the Legislature before November 30 of each year.

1249 Section 23. Section **67-3a-601** is enacted to read:

1250 **Part 6. Miscellaneous Provisions**

1251 **67-3a-601. Provision of contract services to Office of Inspector General of**
 1252 **Medicaid Services.**

1253 (1) The division and the assistant attorneys general assigned to the division shall
 1254 provide, without charge, contract review, contract enforcement, and other contract management
 1255 services to the office.

1256 (2) The division shall ensure that the services described in Subsection (1) are provided
 1257 in an expeditious manner.

1258 (3) The attorney general shall designate one of the assistant attorneys general assigned
 1259 to the division to give first priority to providing the services described in Subsection (1) to the
 1260 office.

1261 (4) The office and the division shall enter into a memorandum of understanding in
 1262 order to execute the requirements of this section in an effective and efficient manner.

1263 Section 24. Section **67-3a-602** is enacted to read:

1264 **67-3a-602. Rulemaking authority.**

1265 The office may make rules, pursuant to Title 63G, Chapter 3, Utah Administrative

1266 Rulemaking Act, that establish policies, procedures, and practices, in accordance with the
 1267 provisions of this chapter, relating to:

1268 (1) inspecting and monitoring the state Medicaid program;

1269 (2) discovering and investigating potential fraud, waste, or abuse in the state Medicaid
 1270 program;

1271 (3) developing and implementing the principles and standards described in Subsection
 1272 67-3a-202(1)(p);

1273 (4) auditing, inspecting, and evaluating the functioning of the division under
 1274 Subsection 67-3a-202(1)(h);

1275 (5) conducting an audit under Subsection 67-3a-202(1)(h) or (2); or

1276 (6) ordering a hold on the payment of a claim for reimbursement under Section
 1277 67-3a-205.

1278 **Section 25. Appropriation.**

1279 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
 1280 following sums of money are appropriated from resources not otherwise appropriated out of the
 1281 funds or accounts indicated for the fiscal year beginning July 1, 2011, and ending June 30,
 1282 2012. These are additions to amounts previously appropriated for fiscal year 2012.

1283 Item 1 To Department of Health - Executive Director's Operations

1284 From General Fund \$(694,900)

1285 From Federal Fund \$(1,037,000)

1286 From Revenue Transfers - Within Agency \$(81,500)

1287 Schedule of Programs:

1288 Internal Audit and Program Integrity \$(1,813,400)

1289 Item 2 To Medicaid Mandatory Services

1290 From General Fund \$(300,000)

1291 From Federal Fund \$(519,100)

1292 Schedule of Programs:

1293 Other Mandatory Services \$(819,100)

1294 Item 3 To Office of Inspector General of Medicaid Services

1295 From General Fund \$994,900

1296 From Federal Fund \$1,556,100

1297	<u>From Revenue Transfers - Health</u>	<u>\$81,500</u>
1298	<u>Schedule of Programs:</u>	
1299	<u>Office of Inspector General of Medicaid Services</u>	<u>\$2,632,500</u>
1300	Section 26. Effective date.	
1301	<u>This bill takes effect on July 1, 2011.</u>	