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Bill Analysis

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Primary Sponsor: Rep. Williams

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SUMMARY

- Requires the Department of Medicaid to develop, procure, certify, or approve one or more systems for the electronic verification of nonemergency medical transportation services and in-home personal care services provided to Medicaid recipients.
- Upon full implementation of the electronic verification system, prohibits a nonemergency medical transportation service provider or home-health service provider from receiving Medicaid payment for services unless the provider submits all necessary data through the electronic verification system.
- Requires the Department to develop and implement a system by which data received from a nonemergency medical transportation service provider can be cross-referenced with claims submitted to the Department by other Medicaid providers.
- Requires the Department to develop and implement automated fraud-detection tools to assist with identifying fraud using the electronic verification system required by the bill.
- Requires the Department to submit annual reports to the General Assembly detailing the electronic verification system.
- Not later than 30 days after the bill's effective date, requires the Department to submit a cost estimate of implementing the bill's provisions to the General Assembly.
- Designates the bill's provisions as the "Safeguarding Healthcare Integrity through Electronic Location Data (SHIELD) Act."

DETAILED ANALYSIS

Electronic verification systems

The bill requires the Department of Medicaid to develop, procure, certify, or approve one or more systems for the electronic verification of nonemergency medical transportation services

and in-home person care services provided under the Medicaid program. For purposes of the bill, an “electronic verification system” is defined as an electronic system that is capable of recording and verifying data elements related to the delivery of health care services covered by the Medicaid program.¹ The Department may (1) establish an internal electronic verification system, (2) contract with one or more vendors to establish a system, or (3) integrate with existing electronic verification systems it utilizes.²

Any electronic verification system developed, procured, certified, or approved by the Department under the bill must be used to ensure payment integrity with the Medicaid program, ensure compliance with all state and federal requirements, and serve as a fraud prevention measure within the Medicaid program. The bill provides that no data transmitted or stored by an electronic verification system may be used to conduct unrelated surveillance of Medicaid providers or for enforcement purposes unrelated to the Medicaid program.³ All data transmitted or stored by the system must be encrypted, subject to role-based access controls and audit logs, and comply with all state and federal requirements concerning the protection of patient information.⁴ Additionally, the Department must integrate any electronic verification system with the Department’s existing claims and encounters database and system. The bill also requires the Department to coordinate with Medicaid managed care organizations and seek any necessary federal approval to coordinate with electronic verification systems in the Medicare program.⁵

System functioning

Nonemergency medical transportation services

The electronic verification system must be capable of performing different functions for nonemergency medical transportation services compared to in-home personal care services. For claims relating to nonemergency medical transportation services, the system must do all of the following:⁶

- Utilize a ride dispatch system that is similar to other private transportation services;
- Utilize GPS-based verification, which includes real-time satellite location data that can be used to confirm the physical presence of a person or device in a specified location,⁷ to track a provider’s arrival at a pickup location, initiation of a transport, arrival at a drop-off location, and completion of a transport;

¹ R.C. 5164.40(B).

² R.C. 5164.401(A).

³ R.C. 5164.401(C)(1).

⁴ R.C. 5164.401(C)(2).

⁵ R.C. 5164.401(D).

⁶ R.C. 5164.401(B)(1).

⁷ R.C. 5164.40(C).

- Capture breadcrumb location data throughout transport, which is defined as data that provides a geographical position during a designated time period allowing the movements of a user to be tracked;⁸
- Record timestamps, route data, and total distance traveled during a transport;
- Be capable of transmitting data directly to the Department as a condition of payment.

In-home personal care services

For claims submitted for in-home personal care services, the electronic verification system must do all of the following:⁹

- Require personal care service providers to clock in and clock out when physically present at the location where services are being provided;
- Utilize GPS-based verification to track when a provider clocks in and clocks out;
- Capture breadcrumb location data throughout service delivery;
- Record timestamps and the total duration of delivered services;
- Be capable of transmitting data to the Department for integration with other claims submissions.

Implementation timelines

The bill requires the Department to develop technical standards and implementation plan not later than six months after the bill's effective date. A copy of the plan must be submitted to the General Assembly.¹⁰ Not later than one year after the bill's effective date, the Department must establish a pilot program under which certain Medicaid providers will be required to utilize the electronic verification system established under the bill.¹¹ Beginning not later than 18 months after the bill's effective date, all nonemergency medical transportation service providers must utilize the electronic verification system. In-home personal care service providers must utilize the system beginning not later than two years after the bill's effective date.¹²

The bill specifies that in establishing and requiring utilization of an electronic verification system, the Department must ensure that Medicaid recipients are not denied medically necessary services solely due to a provider's failure to utilize the required system. The Department must also ensure that any transition periods that result from the implementation of the electronic verification system do not impact that continuity of care for Medicaid recipients.

⁸ R.C. 5164.40(A).

⁹ R.C. 5164.401(B)(2).

¹⁰ R.C. 5164.401(E)(1).

¹¹ R.C. 5164.401(E)(2).

¹² R.C. 5164.401(E)(3) and (4).

The Department must further provide training and technical support to providers to ensure compliance with the electronic verification system requirements.¹³

System use and exemption

Upon implementation of the electronic verification system, the bill specifies that no nonemergency medical transportation service provider or in-home person care service provider may receive Medicaid payment for services rendered to a Medicaid recipient unless the provider submits all necessary data through the system. The Department must pay a claim for services submitted through the system if (1) all required GPS-based verification and timestamp data are present, (2) the breadcrumb location data utilized by the system is consistent with billed services, and (3) no unresolved discrepancies about the claim exist.¹⁴

The bill requires the Department to establish a process by which nonemergency medical transportation service providers can seek an exemption from utilizing the electronic verification system for (1) equipment failure or network unavailability, including rural connectivity issues, (2) emergencies, or (3) concerns for the safety of a Medicaid recipient.¹⁵ Before granting an exemption, a nonemergency medical transportation service provider must submit written documentation to the Department detailing why an exemption should be granted. The Department must routinely monitor the number of exemptions requested by a provider.¹⁶

Cross-reference and fraud-detection tools

The bill requires the Department to develop and implement automated fraud-detection tools to assist with identifying fraud using the electronic verification system. The fraud-detection tools must be capable of flagging irregular patterns of activity by Medicaid providers that must use the system. Irregular patterns include (1) the seeking and approval of repeated exemptions from the use of the electronic verification system, (2) anomalous and irregular route patterns taken by nonemergency medical transportation service providers, and (3) discrepancies between location data and submitted claims.¹⁷

Under the bill, the Department must conduct periodic audits and investigations concerning data collected through the electronic verification system and fraud-detection tools. The Department may suspend a Medicaid provider's provider agreement for failing to comply with an audit or investigation. Additionally, if an audit or investigation results in a credible allegation of fraud, the bill requires the Department to handle that allegation in accordance with continuing law¹⁸ and also refer the credible allegation to the Attorney General for investigation.¹⁹

¹³ R.C. 5164.401(F).

¹⁴ R.C. 5164.402(A).

¹⁵ R.C. 5164.402(B).

¹⁶ R.C. 5164.402(C).

¹⁷ R.C. 5164.404(A).

¹⁸ R.C. 5164.36, not in the bill.

¹⁹ R.C. 5164.404(B) and (C).

Not later than five years after the bill's effective date, the Department must develop and implement a system by which data received from a nonemergency medical transportation service provider through the electronic verification system can be cross-referenced with claims for Medicaid payment submitted to the Department by other Medicaid providers. The cross-reference system must be capable of verifying the following information:²⁰

- The Medicaid recipient who received nonemergency medical transportation services was transported for the purpose of receiving a Medicaid service;
- The Medicaid recipient who received nonemergency medical transportation services was transported to a Medicaid provider with an active and valid Medicaid provider agreement at the time of transport;
- The records reflect an encounter, claim, or billing activity for a service described above.

The Department must establish an allowable timeframe under which claims for Medicaid payment for transportation services may be cross-referenced and matched against claims for other Medicaid services. The allowable timeframe must account for documented exceptions that created delays, including provider cancellations, appointment rescheduling, emergency diversions, delayed billing, and administrative errors.²¹

Annual report

The Department must submit an annual report to the General Assembly detailing the electronic verification system. The report must include:²²

- The verified number of service claims submitted through the electronic verification system;
- The number of claims denied or recouped;
- The number of cases of fraud referred to the Attorney General's Medicaid Fraud Control Unit as a result of electronic verification systems;
- The number of provider sanctions issued from electronic verification system data;
- The total amount of cost savings to the Medicaid program achieved from electronic verification systems;
- Any impacts to Medicaid recipient access to services from the system;
- Any additional information or data the Department considered relevant.

²⁰ R.C. 5164.403(A).

²¹ R.C. 5164.403(B).

²² R.C. 5164.405.

Rulemaking

The Department must adopt rules to implement the bill's provisions. The rules must address technical standards for electronic verification systems including GPS intervals, breadcrumb location data parameters, and criteria for certification of electronic verification systems. Additionally, the rules must specify the procedures by which a provider may seek an exemption from electronic verification requirements, the protocols by which the Department will conduct audits and enforcement of electronic verification requirements, and any other standards and procedures that are necessary to implement the bill's requirements.²³

Cost estimate

Not later than 30 days after the bill's effective date, the Department must submit a report to the General Assembly with a cost estimate of implementing the bill's requirements. The report must include a comparison of state funds and expected matching federal funds necessary to develop, procure, certify, or approve an electronic verification system and the expected cost savings for the Medicaid program that will result from implementing such a system.²⁴

Designation

The bill designates its provisions as the "Safeguarding Healthcare Integrity through Electronic Location Data (SHIELD) Act."²⁵

HISTORY

Action	Date
Introduced	03-25-26

ANHB0795IN-136/ar

²³ R.C. 5164.406.

²⁴ Section 2.

²⁵ Section 3.