

The House Committee on Health and Human Services offers the following substitute to HB 489:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 7 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated,
2 relating to medical assistance generally, so as to prohibit contingency fee contracts for
3 purposes of conducting investigations and audits for Medicaid recovery; to provide for
4 related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 7 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated, relating to
8 medical assistance generally, is amended by adding a new Code section to read as follows:

9 "49-4-151.1.

10 On and after July 1, 2011, the department shall not enter into any contingency fee contract
11 with a Medicaid recovery audit contractor, as identified in 19 U.S.C. 1902 (a) (42)(B), for
12 the purpose of identifying underpayments and overpayments and recovering overpayments
13 under the state plan or any waiver of the state plan. This Code section shall not apply to
14 any contingency fee contract entered into prior to July 1, 2011. Additionally, this Code
15 section shall apply only to such Medicaid recovery audit contracts and shall not apply to
16 any other contract, including, but not limited to, any contingency fee third-party liability
17 recovery contract, estate recovery contract, state program integrity contract, or any other
18 agency contract, lease, agreement, or other transaction entered into for the purposes of
19 conducting investigations, utilization reviews, or audits. Pursuant to Title XIX of the
20 federal Social Security Act, as amended by the federal Patient Protection and Affordable
21 Care Act, the Centers for Medicaid & Medicare Services may issue a waiver that exempts
22 a state from the federal requirement to pay Medicaid recovery audit contractors on a
23 contingent fee basis when state law expressly prohibits such contingency fee contracting.
24 The department shall seek such a waiver through the submission of a state plan
25 amendment."

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SECTION 2.

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All laws and parts of laws in conflict with this Act are repealed.