



HOUSE BILL 299: Fraud/Audit & Incarcerated Amend.

2017-2018 General Assembly

Committee:	Senate Health Care. If favorable, re-refer to Pensions and Retirement and Aging. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 18, 2017
Introduced by:	Reps. Dobson, Corbin, Clampitt, Henson	Prepared by:	Theresa Matula Committee Staff
Analysis of:	Amendment to First Edition H299-ASH-14		

OVERVIEW: Amendment ASH-14 for HB 299 would add four sections to HB 299 to: include a definition of "authorized representatives who are assisting the State Health Plan Division staff" to the definition section for the State Health Plan (SHP); add a new section to the SHP law pertaining to fraud and detection audit programs; require the Department of Revenue to furnish certain tax, wage, or income information for a beneficiary to the Department of State Treasurer; and to require that a retiree who is a prisoner serving an active sentence in the State prison system be covered by the State prison system health services rather than the State Health Plan.

Sections 8 and 9, and a modified version of Section 10, were contained in SB 218 and were previously approved by the Senate Health Committee. SB 218 is currently in Senate Pensions and Retirement and Aging.

AMENDMENT SUMMARY:

Section 8 of the amendment would amend the definitions for the State Health Plan (Plan) in G.S. 135-48.1 to add a definition for "Authorized representatives who are assisting the State Health Plan Division staff." The definition used is the same as the one in the Local Governmental Employees' Retirement System (LGERS) and Teachers' and State Employees' Retirement System (TSERS) statutes.

Section 9 would add several new provisions to the Plan related to fraud detection and audit programs.

The first provision, substantially similar to those in LGERS and TSERS, would allow the Plan or its representatives to have access to people, books, records, reports, vouchers, correspondence, files, and investments of any employing unit, and the authority to inspect and make copies of that information.

The Plan or its representatives would also have access to people, records, papers, reports, vouchers, correspondence, and books in the possession of any person or organization that pertain to benefits handled pursuant to a grant or contract with the federal government, the State, or any political subdivision of the State.

Providers of social and medical services who provide access to the Plan must make copies of records maintained for services provided to beneficiaries and provide those copies to the Plan or its representatives when the Plan requests the documentation in writing. Requests must state the purpose

Karen Cochrane-Brown
Director



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and authority for the request and allow a reasonable time to produce the documents. Similar provisions are found in LGERS and TSERS.

Section 9 would also establish a records retention policy, similar to the LGERS and TSERS policies. The Plan would be required to maintain complete files of investigative reports for ten years, with those files being retained according to an agreement between the Plan and the State Archives. The files must be kept confidential; however, at the discretion of the Executive Administrator of the Plan the records may be made available to a representative of the State or federal government in connection with an official matter or criminal investigation. The records may also be disclosed if an order requiring disclosure is issued in Wake County Superior Court.

Section 10(a) would amend G.S. 105-259(b), pertaining to the disclosure of tax records. An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person except as provided in G.S. 105-259(b). The amendment allows the Department of State Treasurer to be furnished periodically upon request, the State tax return of a beneficiary, or the wage and income statement of a beneficiary, or the NC-3 information of an employer for the purpose of assisting a fraud or compliance investigation or audit under the authority of the Treasurer to establish and operate fraud and detection audit programs (G.S. 135-48.30(a)(9), or in accordance with the provisions added by Section 9 (G.S. 135-48.16). However, no federal tax information may be disclosed unless permitted by federal laws related to the confidentiality of returns and return information (Section 6103 of the Code).

Section 10(b) requires the Department of Revenue and the Department of State Treasurer to enter into a confidential information sharing agreement not later than June 30, 2018.

Section 11 adds a new subsection to G.S. 135-48.41 pertaining to eligibility provisions of the State Health Plan. The new language provides that if a retiree is a prisoner serving an active sentence in the State prison system and covered under G.S. 148-19, then the incarcerated retiree is not eligible for coverage under the State Health Plan but would be covered by health services for the State prison system.

Section 12 provides the effective date that was in the original bill.