

House BILL NO. 337

INTRODUCED BY

Cobb

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE LEGISLATIVE AUDITOR TO PARTICIPATE WITH THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES OFFICE OF THE INSPECTOR GENERAL IN JOINT AUDITS OF THE MONTANA MEDICAID PROGRAM."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Joint audits of medicaid program.

(1) The legislative auditor shall participate with the United States department of health and human services office of the inspector general in a program of joint audits of the Montana medicaid program authorized by Title 53, chapter 6. For the purpose of the joint audits, the legislative auditor may cooperate with the inspector general, accept and provide information necessary to the success of the joint audits, and enter into contracts for the performance of the joint audits. Audits authorized by this section may examine all or any part of the financing or performance of the medicaid program, whether operated directly by the department of social and rehabilitation services, by another state agency, or by a contractor with a state agency. Joint audits are subject to the audit standards, objectives, and reporting procedures required by state law and as required in applicable federal laws, regulations, and policies.

(2) Audit costs of the legislative auditor for conducting joint audits authorized by subsection (1) are considered direct costs of the state agency or program subject to the audit. Funds for the payment of the expenses of the legislative auditor must be deposited in the state special revenue fund as provided in 5-13-403. To the maximum extent allowable under federal regulations, the legislative auditor shall charge audit costs of joint audits to federal funds.

(3) Audits conducted pursuant to this section must be approved by the committee as part of the operational plan of the legislative auditor.

NEW SECTION. Section 2. Codification instruction.

[Section 1] is intended to be codified as an integral part of Title 5, chapter 13, and the provisions of Title 5, chapter 13, apply to [section 1].

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0337, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

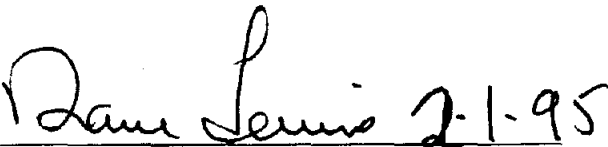
A bill requiring the Legislative Auditor to participate with the U.S. Department of Health and Human Services (DHHS) Office of Inspector General in joint audits of the Montana Medicaid program.

ASSUMPTIONS:

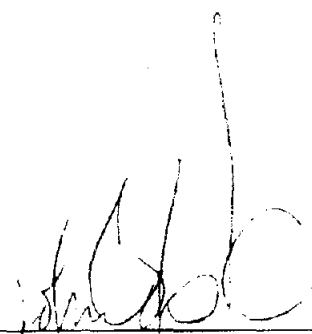
1. Any joint audits would be conducted at the request of the U.S. Department of Health and Human Services Office of the Inspector General (OIG). The joint audits would be conducted under contract with either the OIG and/or the state Department of Social and Rehabilitative Services.
2. Audit costs associated with any joint audits would be charged to the state agency or program subject to audit. There may be increased costs to the state agency subject to the joint audit. However, such costs will be considered direct costs of the federal program and should be reimbursed by the U.S. Department of Health and Human Services.
3. The Office of the Legislative Auditor is not able to determine a fiscal impact at this time as it is not possible to estimate the number or timing of any joint audits requested by the federal OIG.
4. There will be no increase in total FTE for the Office of the Legislative Auditor as joint audits will be performed within the proposed budget for the 1997 biennium. There will be no increase in state general fund costs.
5. The Office of the Legislative Auditor recently conducted a pilot project regarding the Medicaid Drug Rebate program. The cost to the Office of the Legislative Auditor for staff time will be approximately \$5,463. The state may realize a cost savings in the next biennium of up to \$164,100 as a result of the pilot project. In addition, the Office of the Legislative Auditor expects that the state will continue to experience cost savings as a result of this pilot project. Federal officials indicated similar programs in other states have realized significant cost savings.

FISCAL IMPACT:

The Office of the Legislative Auditor is not able to determine a fiscal impact at this time as it is not possible to estimate the number or timing of any joint audits requested by the federal OIG.



DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



JOHN COBB, PRIMARY SPONSOR DATE

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