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## Health Care & Wellness Committee

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### ESSB 6227

**Brief Description:** Establishing a medicaid fraud hotline.

**Sponsors:** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Conway, Keiser, Carrell, Frockt, Pflug, Hargrove, Kline and Roach).

#### Brief Summary of Engrossed Substitute Bill

- Establishes a telephone hotline for the public to report suspected cases of Medicaid fraud.
- Designates the identity of reporters to the hotline and documents related to reports and investigations as confidential.

**Hearing Date:** 2/15/12

**Staff:** Chris Blake (786-7392).

#### Background:

Medicaid is a health care program for qualifying low-income and needy people, including children, the elderly, and persons with a disability. The program is a federal-state partnership established under the federal Social Security Act, and implemented at the state level with federal matching funds. Each state program must establish a plan that meets specified requirements mandated by the federal Centers for Medicare and Medicaid Services. In Washington, the Health Care Authority is responsible for administering the Medicaid program.

Cases in which potential fraud is suspected are referred to the Medicaid Fraud Control Unit in the Office of the Attorney General for investigation and possible prosecution. The Medicaid program identifies several activities that constitute fraudulent acts. Persons and companies may not obtain benefits or payments through willful false statements, willful misrepresentations or concealment of material facts, or other fraudulent schemes. In addition, it is a class C felony for any person to knowingly make a false statement or conceal material facts in an application for payment, knowingly make a false statement regarding facts used to determine rights to

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payments, or have knowledge of the concealment of information with the intent to fraudulently receive unauthorized payments. Other prohibitions relate to inappropriate rebating and referral practices and knowingly charging excessive rates for services to patients.

**Summary of Bill:**

The Attorney General, in conjunction with the Office of the Insurance Commissioner, must establish a telephone hotline for the public to report suspected cases of Medicaid fraud. The Attorney General must designate staff to process the reports received through the hotline. The staff must determine which reports require further examination and must be sent to the Medicaid Fraud Control Unit. The Attorney General must publicize the telephone hotline in print and electronic media. The Office of the Insurance Commissioner must fund the hotline.

The identity of a person making a report to the hotline is confidential, unless he or she consents through a written waiver or the investigation is complete. Documents related to reports to the hotline and investigations are confidential until the investigation is complete or the documents are exempt from public disclosure.

**Appropriation:** None.

**Fiscal Note:** Requested on February 13, 2012.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.