

**SB 5978-S.E - DIGEST**

(DIGEST AS ENACTED)

Establishes the medicaid fraud false claims act.

Enacts a state false claims act in order to provide the state with another tool to combat medicaid fraud.

Creates the medicaid fraud penalty account.

Provides for sunset termination and review of the medicaid fraud false claims act.

VETO MESSAGE ON ESSB 5978

March 30, 2012

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 218, Engrossed Substitute Senate Bill 5978 entitled:

"AN ACT Relating to medicaid fraud."

Engrossed Substitute Senate Bill 5978 creates a new State Medicaid Fraud False Claims Act. The federal Deficit Reduction Act of 2005 provides that the federal government will give to the state ten percent of any funds recovered as part of Medicaid enforcement actions brought under a state law comparable to the federal False Claims Act.

The emergency clause in Section 218 providing for Engrossed Substitute Senate Bill 5978 to take effect immediately is not necessary. The bill will be effective ninety days after the adjournment of the session at which it was enacted, which will be June 7, 2012. There is no need to provide an earlier effective date. The Legislature has not yet provided funding to implement the provisions of this bill; the Health Care Authority and the Attorney General's Office will need time to prepare for implementation; and the State can request federal approval under the Deficit Reduction Act of 2005 in a timely manner without the emergency clause.

For these reasons, I have vetoed Section 218 of Engrossed Substitute Senate Bill 5978.

With the exception of Section 218, Engrossed Substitute Senate Bill 5978 is approved.

Respectfully submitted,  
Christine Gregoire  
Governor