
Judiciary Committee

HB 1067

Title: An act relating to the medicaid fraud false claims act.

Brief Description: Reauthorizing the medicaid fraud false claims act.

Sponsors: Representatives Jinkins, Holy, Magendanz, Nealey, Goodman, Muri, Gregerson, Cody, Kilduff and Pollet; by request of Attorney General.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Repeals the section of law that repeals the Medicaid Fraud False Claims Act effective June 30, 2017.
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Hearing Date: 1/14/15

Staff: Edie Adams (786-7180).

Background:

Medicaid Fraud False Claims Act.

Legislation enacted in 2012 established the Medicaid Fraud False Claims Act (MFFCA). The MFFCA establishes civil liability for a number of false or fraudulent activities involving claims for payment to the state Medicaid program. Civil liability for presenting a false or fraudulent claim includes a civil penalty between \$5,500 and \$11,000 plus three times the amount of damages incurred by the state.

The MFFCA also authorizes qui tam actions that allow private parties, called qui tam relators, to bring a civil action in the name of the state for violations of the MFFCA. Prior to commencing the action, the qui tam relator must serve the Attorney General with a copy of the complaint and all material evidence regarding the claim, and the Attorney General has at least 60 days following the receipt of the complaint to decide whether or not to intervene in the action. If the Attorney General intervenes in the action, the relator continues as a party but his or her

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participation may be limited. If the Attorney General does not intervene in the suit, the relator may proceed with the case. A relator is entitled to share in the proceeds of any settlements or judgments.

The Attorney General's Medicaid Fraud Control Unit civil section (Civil Section) is responsible for investigating and pursuing actions relating to Medicaid fraud under the MFFCA. The Civil Section is funded through a federal matching grant. The state provides 25 percent of the funding, which comes from Medicaid fraud recoveries deposited in the Medicaid Fraud Penalty Account. The federal government provides a grant funding the remaining 75 percent of the Civil Section.

Sunset Review of the Medicaid Fraud False Claims Act.

The MFFCA is scheduled to terminate on June 30, 2016, under the Washington Sunset Act. The Sunset Act requires the Joint Legislative Audit and Review Committee (JLARC) to conduct a sunset review of the program and provide a report with recommendations regarding whether the program should be retained, modified, or allowed to terminate. The sunset review of the MFFCA must be completed in 2015.

Summary of Bill:

The statute that repeals the Medicaid Fraud False Claims Act, effective June 30, 2017, is repealed.

Appropriation: None.

Fiscal Note: Requested on January 6, 2015.

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