

# FINAL BILL REPORT

## SB 6156

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Synopsis as Enacted

**Brief Description:** Reauthorizing the medicaid fraud false claims act.

**Sponsors:** Senators Rivers, Keiser, Frockt, Miloscia, Pedersen, Litzow, O'Ban, Sheldon, Rolfes, Conway, Mullet, Hasegawa, Benton and Darneille; by request of Attorney General.

**Senate Committee on Accountability & Reform**

**Senate Committee on Ways & Means**

**House Committee on Judiciary**

**House Committee on Appropriations**

**Background:** 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 (relators), to bring a civil action in the name of the state for violations of the MFFCA. Prior to commencing the action, the 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 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.

The MFFCA is scheduled to terminate on June 30, 2016, under the Washington Sunset Act. The Joint Legislative Audit and Review Committee (JLARC) conducted a sunset review of the program and issued its report and recommendations in December 2015. The JLARC

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recommends that the Legislature reauthorize the MFFCA because it allows the state to pursue civil cases against Medicaid fraud that it would lack authority to pursue otherwise, and Medicaid fraud recoveries have increased since enactment of the MFFCA.

**Summary:** All but the qui tam provisions of the MFFCA are permanently codified. Qui tam provisions remain enforceable for seven more years and expire in 2023 unless affirmed and reenacted by the Legislature. Repeal directives in the code are adjusted accordingly.

**Votes on Final Passage:**

Senate	48	0
House	96	1

**Effective:** June 9, 2016