

# FINAL BILL REPORT

## SSB 6051

---

---

C 238 L 18  
Synopsis as Enacted

**Brief Description:** Concerning the medicaid fraud control unit.

**Sponsors:** Senate Committee on Law & Justice (originally sponsored by Senators Dhingra, Keiser, Walsh, Frockt, Saldaña, Darneille, Pedersen, Conway, Kuderer and Mullet; by request of Attorney General).

**Senate Committee on Law & Justice**  
**House Committee on Judiciary**

**Background:** Medicaid. Medicaid is health insurance for eligible low-income persons including children, the elderly, and persons with a disability. Each state designs and administers its own Medicaid program. The federal government jointly funds the state's Medicaid program as long as the program complies with the requirements mandated by the Centers for Medicaid and Medicare Services. Medicaid funding and services are administered jointly by the Washington State Health Care Authority and Department of Social and Health Services, except for the nursing home program, which is administered by the Aging and Long-Term Support Administration.

Medicaid covered services include hospital care, skilled nursing home care, residential adult family care services, and professional services provided by physicians, and laboratories. Washington Medicaid also includes hospice, mental health, dental services, and eyeglasses. Medicaid services and supplies are provided by a broad range of providers including drug manufacturers, doctors, nurses, clinics, hospitals, nursing homes, adult family homes, assisted living facilities, medical laboratories, ambulance and transportation companies, home health, and medical equipment providers.

Medicaid Fraud. Program contractors, medical providers, or program recipients may defraud the Medicaid program. Medicaid fraud unit programs focus exclusively on Medicaid contractor and provider fraud; not fraud committed by individual Medicaid recipients. The Office of the Inspector General at the federal Department of Health and Human Services oversees the Medicaid fraud units.

Providers and contractors commit fraud by billing the Medicaid program, knowingly or intentionally, for:

- services not provided;
- phantom visits;

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- false cost reports;
- kickbacks; or
- unnecessary, low quality, or more expensive services and supplies.

Perpetrators range from solo practitioners and small businesses to large institutions and multinational corporations.

Washington State's Medicaid Fraud Control Unit (MFCU). The MFCU is part of the Office of the Attorney General and is comprised of attorneys, investigators, auditors, and other staff. The unit is responsible for both criminal and civil investigation and prosecution of health care provider fraud committed against the state's Medicaid program. The unit also monitors complaints of resident abuse or neglect in Medicaid funded nursing homes, adult family homes, and boarding homes, providing assistance to local law enforcement in investigating and prosecuting crimes committed against vulnerable adults.

Current Law. In 2012, Washington enacted the Medicaid Fraud False Claims Act. The Act significantly expanded MFCU's authority by granting the unit the ability to prosecute fraud using the civil justice system.

**Summary:** The Office of the Attorney General is authorized to operate the MFCU with jurisdiction to detect, deter, and prosecute fraud, abuse, and neglect in Washington's Medicaid system. MFCU's work is necessary to satisfy federal Medicaid program integrity standards required for Washington's receipt of federal Medicaid funding. The attorney general must employ and train MFCU personnel. The MFCU cooperates with federal and local investigations and prosecutions of provider fraud, abuse, and neglect matters as provided in state and federal law. The MFCU shall protect patient privacy and records confidentiality as required by state and federal laws. MFCU investigators may detect, investigate, and apprehend perpetrators when a criminal law violation has occurred or is about to occur related to Medicaid fraud, Medicaid managed care fraud, abuse, and neglect as provided in the federal Medicaid laws. The MFCU also prosecutes fraud under the state's Medicaid Fraud False Claims Act. The Department of Social and Health Services and other state agencies having jurisdiction, law enforcement agencies, and the MFCU are authorized to share reports in a timely manner concerning suspected abandonment, abuse, financial exploitation, or neglect of vulnerable adults.

**Votes on Final Passage:**

Senate	48	0	
House	96	2	(House amended)
Senate	49	0	(Senate amended)

**Effective:** June 7, 2018