

HB 353 -- MEDICAID FRAUD AND ABUSE (Schaaf)

COMMITTEE OF ORIGIN: Special Committee on Healthcare Facilities

This bill changes the laws regarding fraud and abuse in the Missouri Medicaid Program. The bill:

- (1) Expands the definition of "health care provider" to include any employee, representative, or subcontractor of the state;
- (2) Specifies that the terms "knowing" and "knowingly" mean intentionally;
- (3) Changes the penalty for making a false statement to a class C felony for a first conviction and a class B felony for subsequent convictions. A person who attempts to or willfully prevents, obstructs, misleads, or delays the communication of information relating to a violation will be guilty of a class D felony and upon conviction will be excluded from participation as a provider for the program;
- (4) Specifies that any person who is the original source of information regarding a violation will be compensated unless he or she participated in the fraud or abuse;
- (5) Prevents an employer from discriminating against an employee for participating in a court action relating to a violation unless the employee filed a frivolous claim, participated in the violation, or is convicted of criminal conduct related to the violation;
- (6) Requires the Office of the Attorney General and the Department of Social Services to report information regarding violations to the Governor and General Assembly by January 1, 2008, and annually thereafter;
- (7) Requires the State Auditor to complete a financial audit of the Medicaid fraud unit within the Office of the Attorney General and the program integrity unit within the Department of Social Services;
- (8) Establishes a penalty for destroying or concealing records of claims submitted or payments received;
- (9) Establishes a penalty for filing false reports or claims of alleged violations and receiving compensation for failure to report violations;
- (10) Creates an advisory working group, beginning September 1, 2007, to determine the need for an Office of Inspector General to

oversee the state's medical assistance programs; and

(11) Creates a fund for the deposit of moneys recovered to be used to increase Medicaid provider reimbursements until the average Medicaid provider reimbursement equals the average Medicare provider reimbursement.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$52,710 to \$152,710 in FY 2008, \$58,099 to \$158,099 in FY 2009, and \$59,841 to \$159,841 in FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.