

HB 353 -- MEDICAID FRAUD AND ABUSE

SPONSOR: Schaaf

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Healthcare Facilities by a vote of 8 to 0.

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

- (1) Specifies that the terms "knowing" and "knowingly" mean intentionally;
- (2) 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;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) 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;
- (7) Establishes a penalty for destroying or concealing records of claims submitted or payments received;
- (8) Establishes a penalty for filing false reports or claims of alleged violations and receiving compensation for failure to report violations; and
- (9) 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.

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.

PROPONENTS: Supporters say that the bill addresses the concerns of health care providers regarding Medicaid fraud. Under the provisions of the bill, providers will be less likely to reject Medicaid patients as compared to previous bills addressing Medicaid fraud. The bill offers a financial incentive for individuals to report fraud, encourages providers to self-disclose information, protects "whistle blowers," and deters frivolous claims.

Testifying for the bill were Representative Schaaf; Missouri Dental Association; Missouri Assisted Living Association; Missouri Association of Homes for the Aging; Missouri Association of Osteopathic Physicians and Surgeons; Missouri Pharmacy Association; Missouri Chamber of Commerce and Industry; Missouri Hospital Association; Missouri Academy of Family Physicians; Eastern Missouri Psychiatric Society; Missouri Health Care Association; and Missouri State Medical Association.

OPPONENTS: There was no opposition voiced to the committee.