STATE OF NEW YORK

11730

IN ASSEMBLY

September 16, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. DeStefano) -- read once and referred to the Committee on Health

AN ACT to amend the public health law and the state finance law, in relation to establishing a Medicaid fraud tip board and Medicaid fraud tip reward fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public health law is amended by adding a new section 37 to read as follows:

§ 37. Medicaid fraud tip board. 1. For the purposes of this section, "Medicaid fraud" shall mean the knowing commission of any crime with intent to illegally receive benefits, or reimbursement from the medical assistance for needy persons program established and administered pursuant to this chapter, the social services law and federal law.

2. There is hereby established the Medicaid fraud tip board for the purpose of developing and administering a system to offer monetary rewards to individuals whose documented tips have resulted in the closing of a Medicaid fraud case and a guilty plea or criminal conviction against a person or entity that is engaging in, or has engaged in, Medicaid fraud.

3. The board shall consist of seven members to be appointed as follows: two appointed by the governor; one appointed by the lieutenant governor; one appointed by the majority leader of the senate; one appointed by the speaker of the assembly; one appointed by the minority leader of the senate; and one appointed by the minority leader of the assembly.

4. Meetings of the board shall be held at least twice a year but may be held more frequently as deemed necessary. At each meeting, the board shall review pending reward applications and determine reward eligibility and amount, if applicable.

5. The board shall:

(a) develop and adopt guidelines used to determine whether an individual is eligible to receive a reward;

(b) establish minimum and maximum reward payment amounts; and

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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(c) establish procedures to preserve the anonymity of any individual alleging Medicaid fraud, which shall include, but not be limited to, the protection of any personally identifying information and banking information.

6. Rewards approved by the board pursuant to this section shall be paid from the Medicaid fraud tip reward fund established in section ninety-seven-bbbbb of the state finance law.

§ 2. The state finance law is amended by adding a new section 97-bbbbb to read as follows:

§ 97-bbbbb. Medicaid fraud tip reward fund. 1. There is hereby established, in the joint custody of the comptroller and the commissioner of taxation and finance a fund to be known as the Medicaid fraud tip reward fund.

2. Such fund shall consist of not less than one percent nor more than two percent of all moneys recovered by the state through Medicaid fraud enforcement, including but not limited to, through civil forfeiture or a court's award of restitution, and all other moneys appropriated, credited or transferred thereto from any other fund or source pursuant to law.

3. Moneys of the Medicaid fraud tip reward fund shall be solely available for the payment of eligible individuals in accordance with determinations made by the Medicaid fraud tip review board pursuant to section thirty-seven of the public health law.

4. Moneys in the Medicaid fraud tip reward fund shall be kept separate from and shall not be commingled with any other moneys in the custody of the comptroller or the commissioner of taxation and finance.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.