S T A T E O F N E W Y O R K

7271

2009-2010 Regular Sessions

I N A S S E M B L Y

March 27, 2009

Introduced by M. of A. BOYLE -- Multi-Sponsored by -- M. of A. ALFANO -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to establishing a rewards program for individuals who provide relevant information to the office of the Medicaid inspector general that leads to the detection and conviction of persons engaging in Medicaid fraud; and to amend the social services law, in relation to making technical corrections thereto

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:

S 37. MEDICAID FRAUD; REWARDS FOR INFORMATION. 1. THE OFFICE OF THE MEDICAID INSPECTOR GENERAL SHALL PAY A REWARD OF UP TO TEN PERCENT OF AMOUNTS COLLECTED, OTHER THAN INTEREST, TO ANY INDIVIDUAL WHO PROVIDES INFORMATION THAT LEADS TO THE DETECTION AND CONVICTION OF PERSONS ENGAGING IN FRAUDULENT MEDICAID PRACTICES, AS DESCRIBED BY SECTION THREE HUNDRED SIXTY-SIX-B OF THE SOCIAL SERVICES LAW.

2. THE FOLLOWING INDIVIDUALS MAY NOT FILE A CLAIM FOR THE REWARD ESTABLISHED PURSUANT TO SUBDIVISION ONE OF THIS SECTION:

(A) PRESENT AND FORMER EMPLOYEES WHO RECEIVED THE INFORMATION IN THE COURSE OF THEIR OFFICIAL DUTIES; OR

(B) THOSE WHO PARTICIPATED IN THE SCHEME TO DEFRAUD THE STATE OF MEDICAID FUNDS.

AN EXECUTOR, ADMINISTRATOR, OR OTHER LEGAL REPRESENTATIVE MAY FILE A CLAIM FOR REWARD ON BEHALF OF A DECEDENT IF THE DECEDENT WAS ELIGIBLE TO FILE SUCH CLAIM BEFORE HIS OR HER DEATH. THE REPRESENTATIVE MUST ATTACH TO THE CLAIM EVIDENCE OF THEIR AUTHORITY TO FILE.

3. AMOUNTS OF REWARDS SHALL BE DETERMINED BY THE MEDICAID INSPECTOR GENERAL. INFORMATION WILL BE EVALUATED IN RELATION TO THE FACTS DEVELOPED BY THE RESULTING INVESTIGATION. REWARDS WILL BE PAID IN PROPORTION

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

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TO THE VALUE OF INFORMATION VOLUNTARILY FURNISHED WITH RESPECT TO THE AMOUNT OF FUNDS RECOVERED.

S 2. Section 366-b of the social services law, as added by chapter 306 of the laws of 1970, is amended to read as follows:

S 366-b. Penalties for fraudulent practices. 1. Any person who knowingly makes a false statement or representation, or who by deliberate concealment of any material fact, or by impersonation or other fraudulent device, obtains or attempts to obtain or aids or abets any person to obtain medical assistance to which he OR SHE is not entitled, shall be guilty of a class A misdemeanor, unless such act constitutes a violation of a provision of the penal law of the state of New York, in which case he OR SHE shall be punished in accordance with the penalties fixed by such law.

2. Any person who, with intent to defraud, presents for allowance or payment any false or fraudulent claim for furnishing services or merchandise, or knowingly submits false information for the purpose of obtaining greater compensation than that to which he OR SHE is legally entitled for furnishing services or merchandise, or knowingly submits false information for the purpose of obtaining authorization for furnishing services or merchandise under this title, shall be guilty of a class A misdemeanor, unless such act constitutes a violation of a provision of the penal law of the state of New York, in which case he OR SHE shall be punished in accordance with the penalties fixed by such law.

S 3. The Medicaid inspector general shall promulgate rules and regulations for the establishment of procedures for the provision of information on persons engaging in fraudulent Medicaid practices and for the implementation of the rewards program.

S 4. This act shall take effect immediately; provided, however that section one of this act shall take effect January 1, 2010.