

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:

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

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

8 2. There is hereby established the Medicaid fraud tip board for the
9 purpose of developing and administering a system to offer monetary
10 rewards to individuals whose documented tips have resulted in the clos-
11 ing of a Medicaid fraud case and a guilty plea or criminal conviction
12 against a person or entity that is engaging in, or has engaged in, Medi-
13 caid fraud.

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

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

24 5. The board shall:

25 (a) develop and adopt guidelines used to determine whether an individ-
26 ual is eligible to receive a reward;

27 (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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1 (c) establish procedures to preserve the anonymity of any individual
2 alleging Medicaid fraud, which shall include, but not be limited to, the
3 protection of any personally identifying information and banking infor-
4 mation.

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

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

10 § 97-bbbbbb. Medicaid fraud tip reward fund. 1. There is hereby estab-
11 lished, in the joint custody of the comptroller and the commissioner of
12 taxation and finance a fund to be known as the Medicaid fraud tip reward
13 fund.

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

19 3. Moneys of the Medicaid fraud tip reward fund shall be solely avail-
20 able for the payment of eligible individuals in accordance with determi-
21 nations made by the Medicaid fraud tip review board pursuant to section
22 thirty-seven of the public health law.

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

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