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FISCAL IMPACT REPORT

SPONSOR HJC DATE TYPED 02-18-04 HB 468/HJCS

SHORT TITLE Medicaid False Claims Act SB _____

ANALYST Bransford

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	Indeterminate		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB 461

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
Attorney General (AG)

SUMMARY

Synopsis of Bill

The House Judiciary Committee Substitute for House Bill 468 enacts a new section of law, the Medicaid False Claims Act. The purpose of the Act is to deter persons from knowingly causing or assisting to cause the state to pay Medicaid claims that are false and to provide remedies for obtaining treble damages and civil penalties.

The legislation requires HSD to notify the AG prior to filing a civil action and cannot proceed with the action except with the written approval of the AG. The AG must respond to such requests within twenty working days. In addition, it requires HSD to obtain the AG's written consent before proceeding with an action to dismiss or settle the claim. Pursuant to Subsection C of Section 30-44-8 NMSA 1978, the AG may claim penalties recovered.

Significant Issues

The Attorney General points out that presently any individual seeking to pursue a private party “qui tam” may pursue such a course of action through the U.S. Attorney’s Office and the federal court system. Federal law requires state Medicaid money recovered by such action is to be returned to the state.

FISCAL IMPLICATIONS

HSD does not have an estimate on how much money Medicaid could recover under the legislation, but assumes the amount will be substantial.

ADMINISTRATIVE IMPLICATIONS

HSD and the AG will need to establish procedures for the AG to claim penalties recovered pursuant to the Act.

RELATIONSHIP

Senate Bill 461 is related to House Judiciary Committee Substitute for House Bill 468.

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