

HOUSE BILL No. 5747

June 14, 2012, Introduced by Rep. Olumba and referred to the Committee on Families, Children, and Seniors.

A bill to amend 1977 PA 72, entitled
"The medicaid false claim act,"
by amending sections 3, 4, 5, 6, 7, and 12 (MCL 400.603, 400.604, 400.605, 400.606, 400.607, and 400.612), section 6 as amended by 1984 PA 333 and sections 7 and 12 as amended by 2008 PA 421.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) A person shall not knowingly make or cause to be
2 made a false statement or false representation of a material fact
3 in an application for medicaid benefits.

4 (2) A person shall not knowingly make or cause to be made a
5 false statement or false representation of a material fact for use
6 in determining rights to a medicaid benefit.

7 (3) A person, who having knowledge of the occurrence of an
8 event affecting his initial or continued right to receive a
9 medicaid benefit or the initial or continued right of any other

1 person on whose behalf he has applied for or is receiving a
2 benefit, shall not conceal or fail to disclose that event with
3 intent to obtain a benefit to which the person or any other person
4 is not entitled or in an amount greater than that to which the
5 person or any other person is entitled.

6 (4) A person who violates this section is guilty of a felony,
7 punishable by imprisonment of not more than 4 years, or a fine of
8 not more than ~~\$50,000.00~~ **\$57,500.00**, or both.

9 Sec. 4. A person who solicits, offers, or receives a kickback
10 or bribe in connection with the furnishing of goods or services for
11 which payment is or may be made in whole or in part ~~pursuant to~~
12 **UNDER** a program established under ~~Act No. 280 of the Public Acts of~~
13 ~~1939, as amended~~ **THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.1 TO**
14 **400.119B**, who makes or receives the payment, or who receives a
15 rebate of a fee or charge for referring an individual to another
16 person for the furnishing of the goods and services is guilty of a
17 felony, punishable by imprisonment for not more than 4 years, or by
18 a fine of not more than ~~\$30,000.00~~ **\$34,500.00**, or both.

19 Sec. 5. (1) A person shall not knowingly and wilfully make, or
20 induce or seek to induce the making of, a false statement or false
21 representation of a material fact with respect to the conditions or
22 operation of an institution or facility in order that the
23 institution or facility may qualify, upon initial certification or
24 upon recertification, as a hospital, skilled nursing facility,
25 intermediate care facility, or home health agency.

26 (2) A person who violates this section is guilty of a felony,
27 punishable by imprisonment for not more than 4 years, or by a fine

1 of not more than ~~\$30,000.00~~ **\$34,500.00**, or both.

2 Sec. 6. (1) A person shall not enter into an agreement,
3 combination, or conspiracy to defraud the state by obtaining or
4 aiding another to obtain the payment or allowance of a false claim
5 under the social welfare act, ~~Act No. 280 of the Public Acts of~~
6 ~~1939, as amended, being sections 400.1 to 400.121 of the Michigan~~
7 ~~Compiled Laws.1939 PA 280, MCL 400.1 TO 400.119B.~~

8 (2) A person who violates this section is guilty of a felony,
9 punishable by imprisonment for not more than 10 years, or by a fine
10 of not more than ~~\$50,000.00~~ **\$57,500.00**, or both.

11 Sec. 7. (1) A person shall not make or present or cause to be
12 made or presented to an employee or officer of this state a claim
13 under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b,
14 upon or against the state, knowing the claim to be false.

15 (2) A person shall not make or present or cause to be made or
16 presented a claim under the social welfare act, 1939 PA 280, MCL
17 400.1 to 400.119b, that he or she knows falsely represents that the
18 goods or services for which the claim is made were medically
19 necessary in accordance with professionally accepted standards.
20 Each claim violating this subsection is a separate offense. A
21 health facility or agency is not liable under this subsection
22 unless the health facility or agency, pursuant to a conspiracy,
23 combination, or collusion with a physician or other provider,
24 falsely represents the medical necessity of the particular goods or
25 services for which the claim was made.

26 (3) A person shall not knowingly make, use, or cause to be
27 made or used a false record or statement to conceal, avoid, or

1 decrease an obligation to pay or transmit money or property to the
2 state pertaining to a claim presented under the social welfare act,
3 1939 PA 280, MCL 400.1 TO 400.1196.

4 (4) A person who violates this section is guilty of a felony
5 punishable by imprisonment for not more than 4 years or a fine of
6 not more than ~~\$50,000.00~~ **\$57,500.00**, or both.

7 Sec. 12. (1) A person who receives a benefit that the person
8 is not entitled to receive by reason of fraud or making a
9 fraudulent statement or knowingly concealing a material fact, or
10 who engages in any conduct prohibited by this statute, shall
11 forfeit and pay to the state the full amount received, and for each
12 claim a civil penalty of not less than ~~\$5,000.00~~ **\$5,750.00** or more
13 than ~~\$10,000.00~~ **\$11,500.00** plus triple the amount of damages
14 suffered by the state as a result of the conduct by the person.

15 (2) A criminal action need not be brought against the person
16 for that person to be civilly liable under this section.