

**Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0240.01 Brita Darling x2241

SENATE BILL 12-060

SENATE SPONSORSHIP

Roberts,

HOUSE SPONSORSHIP

(None),

Senate Committees

Health and Human Services
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING IMPROVING MEDICAID FRAUD PROSECUTION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires the department of health care policy and financing (HCPF) to submit a written report annually to the health and environment committee and the judiciary committee of the house of representatives and to the health and human services and judiciary committees of the senate concerning client fraud in the medical assistance program. In addition, the attorney general's office is required to submit a written report annually concerning provider fraud.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

The bill also changes the amount of a county's share of recoveries of fraudulently obtained medical assistance when the recovery is initiated by a county department, county board, district attorney, or HCPF on behalf of the county. Instead of sharing one-half of the state funds paid with the state, the county may retain the full amount of the recovery after payment of the federal government's share.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** 25.5-1-115.5 as follows:

25.5-1-115.5. Medical assistance client fraud - report. (1) ON OR BEFORE JANUARY 15, 2013, AND ON OR BEFORE JANUARY 15 EACH YEAR THEREAFTER, THE STATE DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE JUDICIARY COMMITTEE AND THE HEALTH AND ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, AND TO THE JUDICIARY COMMITTEE AND THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR THEIR SUCCESSOR COMMITTEES, RELATING TO FRAUDULENT RECEIPT OF MEDICAID BENEFITS INCLUDING, AT A MINIMUM:

- (a) INVESTIGATIONS OF CLIENT FRAUD DURING THE YEAR;
- (b) TERMINATION OF CLIENT MEDICAID BENEFITS DUE TO FRAUD;
- (c) DISTRICT ATTORNEY ACTION, INCLUDING AT A MINIMUM, CRIMINAL COMPLAINTS REQUESTED, CASES DISMISSED, CASES ACQUITTED, CONVICTIONS, AND CONFESSIONS OF JUDGMENT;
- (d) RECOVERIES, INCLUDING FINES AND PENALTIES, RESTITUTION ORDERED, AND RESTITUTION COLLECTED; AND
- (e) TRENDS IN METHODS USED TO COMMIT CLIENT FRAUD,
EXCLUDING LAW ENFORCEMENT-SENSITIVE INFORMATION.

1 **SECTION 2.** In Colorado Revised Statutes, **add** 25.5-4-303.3 as
2 follows:

3 **25.5-4-303.3. Provider fraud - attorney general report.** (1) ON
4 OR BEFORE JANUARY 15, 2013, AND ON OR BEFORE JANUARY 15 EACH
5 YEAR THEREAFTER, THE ATTORNEY GENERAL SHALL SUBMIT A WRITTEN
6 REPORT TO THE JUDICIARY COMMITTEE AND THE HEALTH AND
7 ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR THEIR
8 SUCCESSOR COMMITTEES, AND TO THE JUDICIARY COMMITTEE AND THE
9 HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR THEIR
10 SUCCESSOR COMMITTEES, RELATING TO MEDICAID PROVIDER FRAUD
11 INCLUDING, AT A MINIMUM:

- 12 (a) INVESTIGATIONS OF PROVIDER FRAUD DURING THE YEAR;
13 (b) CRIMINAL COMPLAINTS REQUESTED, CASES DISMISSED, CASES
14 ACQUITTED, CONVICTIONS, AND CONFESSIONS OF JUDGMENT;
15 (c) RECOVERIES, INCLUDING FINES AND PENALTIES, RESTITUTION
16 ORDERED, AND RESTITUTION COLLECTED;
17 (d) CIVIL CLAIMS; AND
18 (e) TRENDS IN METHODS USED TO COMMIT PROVIDER FRAUD,
19 EXCLUDING LAW ENFORCEMENT-SENSITIVE INFORMATION.

20
21 **SECTION 3.** In Colorado Revised Statutes, 25.5-1-115, **amend**
22 (2) (b) (II) as follows:

23 **25.5-1-115. Locating violators - recoveries.**

24 (2) (b) (II) (A) Whenever a county department, a county board, a district
25 attorney, or a state department on behalf of a county department recovers
26 any amount of fraudulently obtained public assistance funds in the form
27 of assistance payments, ~~or medical assistance,~~ it shall be deposited in the

1 county social services fund and the federal government ~~shall be~~ IS entitled
2 to a share proportionate to the amount of federal funds paid, unless a
3 different amount is provided for by federal law, the state ~~shall be~~ IS
4 entitled to a share proportionate to one-half the amount of state funds
5 paid, and the county ~~shall be~~ IS entitled to a share proportionate to the
6 amount of county funds paid and, in addition, a share proportionate to
7 one-half the amount of state funds paid.

8 (B) WHENEVER A COUNTY DEPARTMENT, A COUNTY BOARD, A
9 DISTRICT ATTORNEY, OR A STATE DEPARTMENT ON BEHALF OF A COUNTY
10 DEPARTMENT RECOVERS ANY AMOUNT OF FRAUDULENTLY OBTAINED
11 MEDICAL ASSISTANCE, IT SHALL BE DEPOSITED IN THE COUNTY SOCIAL
12 SERVICES FUND AND THE FEDERAL GOVERNMENT IS ENTITLED TO A SHARE
13 PROPORTIONATE TO THE AMOUNT OF FEDERAL FUNDS PAID, UNLESS A
14 DIFFERENT AMOUNT IS PROVIDED FOR BY FEDERAL LAW, AND THE COUNTY
15 IS ENTITLED TO THE REMAINING FUNDS.

16 **SECTION 4. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2012 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.