



January 31, 2003

# SENATE BILL No. 461

DIGEST OF SB 461 (Updated January 29, 2003 11:45 AM - DI 104)

**Citations Affected:** IC 4-6; IC 12-15; IC 33-14.

**Synopsis:** Medicaid fraud control unit authority. States that the state Medicaid fraud control unit has the authority to investigate Medicaid fraud and abuse and neglect of Medicaid patients and patients in board and care facilities in accordance with federal law. Authorizes a court to order a provider to reimburse the attorney general for the reasonable costs of the attorney general's investigation and enforcement of Medicaid fraud. (Current law limits the award to \$500.) Makes conforming amendments.

**Effective:** July 1, 2003.

**Miller**

January 21, 2003, read first time and referred to Committee on Health and Provider Services.  
January 30, 2003, reported favorably — Do Pass.

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SB 461—LS 7722/DI 104+



January 31, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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## SENATE BILL No. 461

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-6-10-1.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2003]: **Sec. 1.5. The state Medicaid fraud control unit has the**  
4 **authority to:**  
5 (1) **investigate, in accordance with federal law (42 U.S.C.1396**  
6 **et seq.):**  
7 (A) **Medicaid fraud;**  
8 (B) **abuse of Medicaid patients; and**  
9 (C) **neglect of Medicaid patients; and**  
10 (2) **investigate, in accordance with federal law (42 U.S.C. 1396**  
11 **et seq.) and as allowed under 42 U.S.C. 1396b(q)(4)(A)(ii),**  
12 **abuse of patients in board and care facilities.**  
13 SECTION 2. IC 4-6-10-3 IS AMENDED TO READ AS FOLLOWS  
14 [EFFECTIVE JULY 1, 2003]: **Sec. 3. The attorney general and an**  
15 **investigator of the Medicaid fraud control unit, when engaged in:**  
16 (1) **an investigation of an alleged offense involving Medicaid**  
17 **fraud; or**

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1 (2) the prosecution of an alleged offense involving Medicaid  
 2 fraud, **abuse of a Medicaid recipient, or neglect of a Medicaid**  
 3 **recipient investigated under section 1.5 of this chapter** or that  
 4 has been referred to the attorney general under IC 12-15-23-6;  
 5 may issue, serve, and apply to a court to enforce, a subpoena for a  
 6 witness to appear before the attorney general in person to produce  
 7 books, papers, or other records, including records stored in electronic  
 8 data processing systems, for inspection and examination.

9 SECTION 3. IC 12-15-23-6 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) If the state  
 11 Medicaid fraud control unit determines that an action based on the state  
 12 Medicaid fraud control unit's investigations **under the unit's authority**  
 13 **under IC 4-6-10-1.5** is meritorious, the unit shall certify the facts  
 14 drawn from the investigation to the prosecuting attorney of the judicial  
 15 circuit in which the crime may have been committed.

16 (b) The state Medicaid fraud control unit shall assist the prosecuting  
 17 attorney in prosecuting an action under this section.

18 (c) A prosecuting attorney to whom facts concerning alleged  
 19 Medicaid fraud are certified under subsection (a) may refer the matter  
 20 to the attorney general.

21 (d) If a matter has been referred to the attorney general under  
 22 subsection (c), the attorney general may:

23 (1) file an information in a court with jurisdiction over the matter  
 24 in the county in which the offense is alleged to have been  
 25 committed; and

26 (2) prosecute the alleged offense.

27 SECTION 4. IC 12-15-23-8 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) Subject to  
 29 subsection (b), if the court finds in favor of the attorney general in a  
 30 civil action brought by the attorney general under section 7 of this  
 31 chapter, the court may do the following:

32 (1) Award damages against the provider of not more than three  
 33 (3) times the amount paid to the provider in excess of the amount  
 34 that was legally due.

35 (2) Assess a civil penalty against the provider of not more than  
 36 five hundred dollars (\$500) for each instance of overpayment  
 37 found by the court.

38 (3) Order the provider to reimburse the attorney general for the  
 39 reasonable costs of the attorney general's investigation ~~of not~~  
 40 ~~more than five hundred dollars (\$500):~~ **and enforcement action.**

41 (4) Take any combination of the actions described in subdivisions  
 42 (1), (2), and (3).



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1 (b) The court may only take action under subsection (a)(2) and  
2 (a)(3) if the provider knew or had reason to know that an item or a  
3 service was not provided as claimed.  
4 SECTION 5. IC 33-14-1-4 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. Except as provided  
6 in **IC 4-6-10-1.5** and IC 12-15-23-6(d), the prosecuting attorneys,  
7 within their respective jurisdictions, shall conduct all prosecutions for  
8 felonies, misdemeanors, or infractions and all suits on forfeited  
9 recognizances; and superintend, on behalf of counties or any of the  
10 trust funds, all suits in which the same may be interested or involved,  
11 and shall perform all other duties required by law.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 461, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 461 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 10, Nays 0.

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