

1 HB416
2 137584-1
3 By Representative Scott
4 RFD: State Government
5 First Read: 23-FEB-12

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8 SYNOPSIS: Under existing law, it is unlawful to make a
9 false statement or representation of material fact
10 in any claim or application for payments on medical
11 benefits from the Medicaid Agency. It is also
12 unlawful for any person to solicit or receive
13 remuneration for referring an individual for a
14 service subject to reimbursement or for purchasing,
15 leasing, ordering, or arranging for or recommending
16 purchasing, leasing, or ordering any good,
17 facility, service, or item for which payment may be
18 made in whole or in part by the Medicaid Agency or
19 its agents.

20 This bill would make unlawful a false
21 statement in a claim for medical benefits from
22 other state agencies that administer a state or
23 federally funded, or both, health care program.

24 This bill would make it unlawful for any
25 person to solicit or receive remuneration for
26 referring an individual for a service subject to
27 reimbursement or for purchasing, leasing, ordering,

1 or arranging for or recommending purchasing,
2 leasing, or ordering any good, facility, service,
3 or item for which payment may be made in whole or
4 in part by a state agency that administers a state
5 or federally funded, or both, health care program.

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To amend Section 22-1-11, Code of Alabama 1975,
12 relating to Medicaid fraud; to make unlawful a false statement
13 in a claim for medical benefits from other state agencies that
14 administer state or federally funded, or both, health care
15 programs; and to make it unlawful for any person to solicit or
16 receive remuneration for referring an individual for a service
17 subject to reimbursement or for purchasing, leasing, ordering,
18 or arranging for or recommending purchasing, leasing, or
19 ordering any good, facility, service, or item for which
20 payment may be made in whole or in part by a state agency that
21 administers a state or federally funded, or both, health care
22 program.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Section 22-1-11, Code of Alabama 1975, is
25 amended to read as follows:

26 "§22-1-11.

1 "(a) Any person who, with intent to defraud or
2 deceive, makes, or causes to be made or assists in the
3 preparation of any false statement, representation, or
4 omission of a material fact in any claim or application for
5 any payment, regardless of amount, from the Medicaid Agency or
6 other state agency administering a state or federally funded,
7 or both, health care program, knowing the same to be false; or
8 with intent to defraud or deceive, makes, or causes to be
9 made, or assists in the preparation of any false statement,
10 representation, or omission of a material fact in any claim or
11 application for medical benefits from the Medicaid Agency or
12 other state agency administering a state or federally funded,
13 or both, health care program, knowing the same to be false;
14 shall be guilty of a felony and upon conviction thereof shall
15 be fined not more than ten thousand dollars (\$10,000) or
16 imprisoned for not less than one nor more than five years, or
17 both. The offense set out herein shall not be complete until
18 the claim or application is received by the Medicaid Agency or
19 other state agency administering a state or federally funded,
20 or both, health care program or the contractor with the
21 Medicaid Agency ~~or its successor~~ or other state agency
22 administering a state or federally funded, or both, health
23 care program, or their agents.

24 "(b) Any person who solicits or receives any
25 remuneration, including any kickback, bribe, or rebate,
26 directly or indirectly, overtly or covertly, in cash or in
27 kind in either of the following circumstances:

1 "(1) In return for referring an individual to a
2 person for the furnishing or arranging for the furnishing of
3 any item or service for which payment may be made in whole or
4 in part by the Medicaid Agency ~~or its agents~~ or other state
5 agency administering a state or federally funded, or both,
6 health care program, or their agents. ~~or~~

7 "(2) In return for purchasing, leasing, ordering, or
8 arranging for or recommending purchasing, leasing, or ordering
9 any good, facility, service, or item for which payment may be
10 made in whole or in part by the Medicaid Agency, ~~or its agents~~
11 or other state agency administering a state or federally
12 funded, or both, health care program, or their agents shall be
13 guilty of a felony and upon conviction thereof, shall be fined
14 not more than ten thousand dollars (\$10,000) or imprisoned for
15 not less than one nor more than five years, or both.

16 "(c) Any person who offers or pays any remuneration
17 including any kickback, bribe, or rebate directly or
18 indirectly, overtly or covertly, in cash or in kind to any
19 person to induce a person to refer an individual to a person
20 for the furnishing or arranging for the furnishing of any item
21 or service for which payment may be made in whole or in part
22 by the Medicaid Agency ~~or its agents,~~ or other state agency
23 administering a state or federally funded, or both, health
24 care program, or their agents, or to purchase, lease, order,
25 or arrange for or recommend purchasing, leasing, or ordering
26 any good, facility, service, or item for which payment may be
27 made in whole or in part by the Medicaid Agency, ~~or its~~

1 ~~agents, or other state agency administering a state or~~
2 ~~federally funded, or both, health care program, or their~~
3 ~~agents~~ shall be guilty of a felony and upon conviction thereof
4 shall be fined not more than ten thousand dollars (\$10,000) or
5 imprisoned for not less than one nor more than five years, or
6 both.

7 "(d) Subsections (b) and (c) of this section shall
8 not apply to a discount or other reduction in price obtained
9 by a provider of services or other entity under Medicaid or
10 other state or federally funded, or both, health care program
11 if the reduction in price is properly disclosed and
12 appropriately reflected in costs claimed or charges made by
13 the provider or entity to the Medicaid Agency ~~or its agents,~~
14 or other state agency administering a state or federally
15 funded, or both, health care program, or their agents, or any
16 amount paid by an employer to an employee who has a bona fide
17 employment relationship with employer for employment in the
18 provision of covered items or services.

19 "(e) Any two or more offenses in violation of this
20 section may be charged in the same indictment in separate
21 counts for each offense and the offense shall be tried
22 together, with separate sentences being imposed for each
23 offense for which the defendant is found guilty."

24 Section 2. This act shall become effective on the
25 first day of the third month following its passage and
26 approval by the Governor, or its otherwise becoming law.