

Legislative Analysis



ALLOW CIVIL ACTION FOR MEDICAID FRAUD

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House Bill 4577

Sponsor: Rep. David Law

Committee: Judiciary

Complete to 5-17-05

A SUMMARY OF HOUSE BILL 4577 AS INTRODUCED 3-24-05

The bill would add a new section to the Medicaid False Claim Act to allow any person to bring a civil action on the state's behalf to recover losses due to Medicaid fraud. The bill would do the following:

- Allow, with certain exceptions, any person to bring an action in the name of the state to recover losses to the state from violations of the Medicaid False Claim Act.
- Allow the attorney general to intervene in an action brought by another person. The attorney general could either proceed with the action, in which case he or she would have primary responsibility, or could dismiss the action.
- Establish a framework for the attorney general regarding his or her authority and responsibilities in bringing an action or intervening in an action initiated by another person.
- If the attorney general declined involvement in an action, allow the person who initiated it to proceed at his or her own expense.
- Allow the attorney general to use alternative remedies to pursue a violation of the act, including an administrative proceeding.
- Establish limits on the monetary proceeds a person could receive if he or she prevailed in the action and allow the person, if he or she were the prevailing party, to recover reasonable attorney fees, costs, and certain expenses.
- Reduce or prohibit monetary proceeds to the person initiating the action under certain conditions, such as criminal conduct arising from a violation of the act.
- Prohibit an employer from taking certain actions against an employee who initiated, assisted in, or participated in a proceeding or court action or cooperated with or assisted in an investigation under the act. An employer who violates this provision would be liable to the employee to reinstate the employee to his or her position without loss of seniority, pay two times the amount of lost back pay with interest, compensate the employee for any special damages, and provide any other relief necessary to make the employee whole.

MCL 400.610a

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