

CHAPTER 166

HEALTH CARE POLICY AND FINANCING

SENATE BILL 12-060

BY SENATOR(S) Roberts, Boyd, Brophy, Cadman, Carroll, Grantham, Heath, Jahn, King K., King S., Lambert, Lundberg, Mitchell, Morse, Neville, Scheffel, Schwartz, Steadman, Tochtrop, White, Williams S., Schaffer B.;
also REPRESENTATIVE(S) Gerou, Barker, Brown, Fields, Hamner, Kefalas, Kerr J., Labuda, Massey, Peniston, Schafer S., Sonnenberg, Stephens, Todd, Williams A., Young.

AN ACT

**CONCERNING IMPROVING MEDICAID FRAUD PROSECUTION, AND, IN CONNECTION THEREWITH,
MAKING AND REDUCING APPROPRIATIONS.**

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

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(e) TRENDS IN METHODS USED TO COMMIT CLIENT FRAUD, EXCLUDING LAW ENFORCEMENT-SENSITIVE INFORMATION.

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

25.5-4-303.3. Provider fraud - attorney general report. (1) ON OR BEFORE JANUARY 15, 2013, AND ON OR BEFORE JANUARY 15 EACH YEAR THEREAFTER, THE ATTORNEY GENERAL 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 MEDICAID PROVIDER FRAUD INCLUDING, AT A MINIMUM:

(a) INVESTIGATIONS OF PROVIDER FRAUD DURING THE YEAR;

(b) CRIMINAL COMPLAINTS REQUESTED, CASES DISMISSED, CASES ACQUITTED, CONVICTIONS, AND CONFESSIONS OF JUDGMENT;

(c) RECOVERIES, INCLUDING FINES AND PENALTIES, RESTITUTION ORDERED, AND RESTITUTION COLLECTED;

(d) CIVIL CLAIMS; AND

(e) TRENDS IN METHODS USED TO COMMIT PROVIDER FRAUD, EXCLUDING LAW ENFORCEMENT-SENSITIVE INFORMATION.

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

25.5-1-115. Locating violators - recoveries. (2) (b) (II) (A) Whenever a county department, a county board, a district attorney, or a state department on behalf of a county department recovers any amount of fraudulently obtained public assistance funds in the form of assistance payments, ~~or medical assistance~~, it shall be deposited in the county social services fund and the federal government ~~shall be~~ IS entitled to a share proportionate to the amount of federal funds paid, unless a different amount is provided for by federal law, the state ~~shall be~~ IS entitled to a share proportionate to one-half the amount of state funds paid, and the county ~~shall be~~ IS entitled to a share proportionate to the amount of county funds paid and, in addition, a share proportionate to one-half the amount of state funds paid.

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

SECTION 4. Appropriation - adjustments in 2012 long bill. (1) For the implementation of this act, appropriations made in the annual general appropriation

act to the department of health care policy and financing for the fiscal year beginning July 1, 2012, are adjusted as follows:

(a) The appropriation for the executive director's office, general administration, personal services, is increased by \$5,216 and 0.1 FTE. Of said sum, \$2,608 shall be from the general fund and \$2,608 shall be from federal funds.

(b) The appropriation for medical services premiums, medical and long-term care services for medicaid eligible individuals, is decreased by \$54,156. Of said sum, \$2,608 shall be from the general fund, \$24,470 shall be from cash funds from recoveries and recoupments, and \$27,078 shall be from federal funds.

SECTION 5. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2012 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 9, 2012