An Act

ENROLLED HOUSE
BILL NO. 1736

By: Peterson and Tibbs of the House

and

Jolley of the Senate

An Act relating to Medicaid fraud; amending 56 O.S. 2001, Section 162.4, which relates to the authority of the Office of Inspector General; authorizing the Office of Inspector General to investigate certain fraud cases; defining terms; prohibiting certain acts; establishing penalties for certain frauds; providing for codification; and providing an effective date.

SUBJECT: Medicaid fraud

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 56 O.S. 2001, Section 162.4, is amended to read as follows:

Section 162.4 The Director of the Department of Human Services shall have the authority to commission certified employees within the Office of the Inspector General of the Department as peace officers. The authority of employees so commissioned shall include the authority to investigate crimes committed against the Department or crimes committed in the course of any program administered by the Department <u>and the authority to investigate cases of Medicaid recipient fraud</u>. Employees so commissioned shall also have the authority to serve and execute process, bench warrants and other court orders in any judicial or administrative proceeding in which the Department is a party or participant. Use and possession of firearms shall be at the discretion of the Director of the Department of Human Services, for the fraud unit only. To become qualified as peace officers for the commission, employees shall

first obtain a certificate as provided for in Section 3311 of Title 70 of the Oklahoma Statutes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1005.1 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Administrative sanction" means the court may enter an order making an individual who violates a provision of this section ineligible for assistance for a specified period of time. Such order shall be communicated to the Oklahoma Health Care Authority Legal Division; and

2. "Insure Oklahoma" means the program administered by the Oklahoma Health Care Authority pursuant to Sections 1010.1 through 1010.13 of Title 56 of the Oklahoma Statutes.

B. Any individual who:

1. Obtains or attempts to obtain, or aids, abets or assists any individual to obtain, by means of a false statement or representation, or by false impersonation, or by a fictitious transfer, conveyance or encumbrance of property or income, or by a knowing and willful failure to report to the Department of Human Services or the Oklahoma Health Care Authority income, personal property, real property, household members, or other material eligibility factors at the time of application or during the receipt of assistance, or by other fraudulent device, assistance to which an applicant is not entitled or assistance greater than that to which an applicant is justly entitled shall be guilty of a misdemeanor or a felony;

2. By sale, barter, purchase, theft, acquisition, possession or use of any medical identification card or any other device authorizing participation in the Oklahoma Medicaid Program, knowingly obtains, aids, abets or assists any individual to obtain or attempt to obtain assistance to which an individual is not entitled shall be guilty of a misdemeanor or a felony; or

3. Attempts to obtain Medicaid or Insure Oklahoma benefits by omitting income, personal property, household members, or other material eligibility factors shall, upon conviction, be guilty of a misdemeanor punishable by either a fine of three times the amount of

assistance, or up to three (3) months in the county jail. In addition, the individual may also be punished by an administrative sanction regarding Medicaid benefits. The court shall have discretion in determining penalties.

C. If the acts in either paragraph 1 or 2 of subsection B of this section or both paragraphs 1 and 2 of subsection B of this section cause the Oklahoma Health Care Authority to determine that an individual or family is eligible for Medicaid or the Insure Oklahoma program and the aggregate amount of assistance paid on behalf of the individual or individuals is less than Five Thousand Dollars ($5,000.00), the penalty, upon conviction, shall be a misdemeanor punishable by fine or imprisonment, or both a fine and imprisonment for three (3) months or an administrative sanction regarding Medicaid benefits in the discretion of the court. If the acts in paragraph 1 or 2 of subsection B of this section or both paragraphs 1 and 2 of subsection B of this section cause the Oklahoma Health Care Authority to determine an individual or family eligible for Medicaid or the Insure Oklahoma program and the aggregate amount of assistance paid on behalf of the individual or individuals is equal to or greater than Five Thousand Dollars ($5,000.00), the penalty, upon conviction, shall be a felony punishable by fine or imprisonment or both a fine and imprisonment for not more than five (5) years or an administrative sanction regarding Medicaid benefits in the discretion of the court.

SECTION 3. This act shall become effective November 1, 2011.

Passed the House of Representatives the 21st day of February, 2011.

Presiding Officer of the House of Representatives

Passed the Senate the 20th day of April, 2011.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 25th

day of April, **20** 11,

at 4:22 **o'clock** P **M.**

By: Jessica R Rogers

Approved by the Governor of the State of Oklahoma the 29th **day of** ~~1:09~~ April, **20** 11, **at** 1:09 **o'clock** P **M.**

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this

29th **day of** April, **20** 11,

at 2:51 **o'clock** P **M.**

By: Michelle R Day