

SENATE BILL REPORT

SB 6227

As Reported by Senate Committee On:
Health & Long-Term Care, January 30, 2012

Title: An act relating to establishing a medicaid fraud hotline.

Brief Description: Establishing a medicaid fraud hotline.

Sponsors: Senators Conway, Keiser, Carrell, Frockt, Pflug, Hargrove, Kline and Roach.

Brief History:

Committee Activity: Health & Long-Term Care: 1/18/12, 1/30/12 [DPS, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6227 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Frockt, Kline, Pflug and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senators Becker, Ranking Minority Member; Parlette.

Staff: Kathleen Buchli (786-7488)

Background: Through the Medicaid program, the state and federal governments will spend an estimated \$8.8 billion per year during the 2011-13 biennium to provide medical, dental, behavioral health, and long-term care to an average of 1.2 million low-income Washington residents each month. The Medicaid Fraud Control Unit in the Office of the Attorney General (AG) investigates cases of suspected fraud.

Persons who suspect cases of Medicaid fraud may report suspicious activity to AG by calling, faxing, emailing, or using an internet-based form to report the activity. AG does not maintain a toll-free number for persons to report suspected cases of Medicaid fraud.

Summary of Bill (Recommended Substitute): AG is required to establish a toll-free telephone hotline which members of the public may use to report suspected Medicaid fraud. The hotline is funded by the Medical Quality Assurance Commission (MQAC) through a surcharge on MQAC's licensees. MQAC must establish a surcharge adequate to fund the

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hotline. AG must prepare and publicize information about the toll-free hotline and designate staff to process reports of fraud received through the hotline. The identity of a person making a report through the toll-free hotline is to be kept confidential unless that person consents to disclosure. All documents relating to the report are also confidential.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended Substitute): The hotline expires July 1, 2014.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: The Legislature is looking at many different ways to investigate fraud. For example, the Department of Labor and Industries has a fraud hotline which recovers a great amount of money. We need to ensure that Medicaid dollars are spent properly.

CON: Hotlines tend to involve individual practitioners, not the large cases that AG should be investigating. The surcharge on physicians and physician assistants is not an appropriate way to fund AG; if AG needs a hotline it needs to fund it itself.

Persons Testifying: PRO: Senator Conway, prime sponsor.

CON: Carl Nelson, WA State Medical Assn.