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## **Missouri Could Keep Millions More in Medicaid Fraud Settlements by Adopting New Law**

A new federal law passed last week provides incentives to states that adopt a state False Claims Act which is as strong as the federal version. False claims acts can be used to recover funds states lose to Medicaid provider fraud.

Section 6031 of the new Deficit Reduction Omnibus Reconciliation Act of 2005 would allow states to increase awards from False Claims Act litigation by 10 percentage points.

“It is important that a False Claims Act in Missouri contain a provision that protects whistleblowers who report Medicaid fraud and allows them to share in the

settlement,” Hill said. “The new federal law requires the whistleblower provision in order for states to get a larger share of fraud settlements.”

“Missouri could make huge strides by adopting a state version of the Federal False Claims Act. Millions now wasted by provider fraud would be available to provide healthcare to low-income Missouri parents, the elderly, and those with disabilities,” said Jennifer Hill, Director of Health Policy for the Missouri Budget Project. In 2005, approximately 90,000 low-income Missourians lost their health insurance due to cuts in the Medicaid program.

“The new False Claims Act law would allow Missouri to keep a larger share of fraud settlements. In addition to prosecuting intentional provider fraud, the state could recover monies lost to duplicate billing and other unintended errors,” Hill said. Fraud committed by providers of Medicaid services is estimated as high as \$575 million per year in Missouri.

Thirteen states, including Illinois, have passed state versions of the False Claims Act. “We have been advocating strongly for Missouri to adopt the False Claims Act as one means of generating funds to restore access to health care services. It is important for Missouri to maximize our resources and use them wisely,” Hill said.

*The Missouri Budget Project is the only statewide, nonpartisan, nonprofit organization that informs the public about Missouri’s budgetary and fiscal policy options and their impact on low-income Missourians.*