



Senate

General Assembly

File No. 602

February Session, 2014

Substitute Senate Bill No. 22

Senate, April 17, 2014

The Committee on Appropriations reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE PREVENTION OF FRAUD IN GOVERNMENT PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) As used in this section and
2 section 2 of this act:

3 (1) "Knowing" and "knowingly" means that a person, with respect to
4 information: (A) Has actual knowledge of the information; (B) acts in
5 deliberate ignorance of the truth or falsity of the information; or (C)
6 acts in reckless disregard of the truth or falsity of the information,
7 without regard to whether the person intends to defraud;

8 (2) "Claim" (A) means any request or demand, whether under a
9 contract or otherwise, for money or property and whether or not the
10 state has title to the money or property, that (i) is presented to an
11 officer, employee or agent of the state, or (ii) is made to a contractor,
12 grantee or other recipient, if the money or property is to be spent or
13 used on the state's behalf or to advance a state program or interest, and

14 if the state provides or has provided any portion of the money or
15 property that is requested or demanded, or if the state will reimburse
16 such contractor, grantee or other recipient for any portion of the
17 money or property that is requested or demanded, and (B) does not
18 include a request or demand for money or property that the state has
19 paid to an individual as compensation for state employment or as an
20 income subsidy with no restrictions on that individual's use of the
21 money or property;

22 (3) "Person" means any natural person, corporation, limited liability
23 company, firm, association, organization, partnership, business, trust
24 or other legal entity;

25 (4) "State" means the state of Connecticut, any agency or department
26 of the state or any quasi-public agency, as defined in section 1-120 of
27 the general statutes;

28 (5) "Obligation" means an established duty, whether fixed or not,
29 arising from (A) an express or implied contractual, grantor-grantee or
30 licensor-licensee relationship, (B) a fee-based or similar relationship,
31 (C) statute or regulation, or (D) the retention of an overpayment;

32 (6) "Material" means having a natural tendency to influence, or be
33 capable of influencing, the payment or receipt of money or property;
34 and

35 (7) "State-administered health or human services program" means
36 programs administered by any of the following: The Department on
37 Aging, the Department of Children and Families, the Department of
38 Developmental Services, the Department of Mental Health and
39 Addiction Services, the Department of Public Health, the Department
40 of Rehabilitation Services, the Department of Social Services, the Office
41 of Early Childhood, and the Office of the State Comptroller, for the
42 State Employee and Retiree Health programs, as well as other health
43 care programs administered by the Office of the State Comptroller, and
44 the Department of Administrative Services, for Workers'
45 Compensation medical claims, including such programs reimbursed in

46 whole or in part by the federal government.

47 Sec. 2. (NEW) (*Effective from passage*) (a) No person shall:

48 (1) Knowingly present, or cause to be presented, a false or
49 fraudulent claim for payment or approval under a state-administered
50 health or human services program;

51 (2) Knowingly make, use or cause to be made or used, a false record
52 or statement material to a false or fraudulent claim under a state-
53 administered health or human services program;

54 (3) Conspire to commit a violation of this section;

55 (4) Intend to defraud the state or wilfully conceal property by
56 delivering or causing to be delivered less property than the amount for
57 which the person receives a certificate or receipt when such person has
58 possession, custody or control of property or money used, or to be
59 used, by the state relative to a state-administered health or human
60 services program;

61 (5) Intend to defraud the state by making or delivering a document
62 without completely knowing that the information on the document is
63 true when such person is authorized to make or deliver such a
64 document that certifies receipt of property used, or to be used, by the
65 state relative to a state-administered health or human services
66 program;

67 (6) Knowingly buy, or receive as a pledge of an obligation or debt,
68 public property from an officer or employee of the state relative to a
69 state-administered health or human services program, who lawfully
70 may not sell or pledge the property;

71 (7) Knowingly make, use or cause to be made or used, a false record
72 or statement material to an obligation to pay or transmit money or
73 property to the state under a state-administered health or human
74 services program; or

75 (8) Knowingly conceal or knowingly and improperly avoid or
76 decrease an obligation to pay or transmit money or property to the
77 state under a state-administered health or human services program.

78 (b) Any person who violates the provisions of subsection (a) of this
79 section shall be liable to the state for: (1) A civil penalty of not less than
80 five thousand five hundred dollars or more than eleven thousand
81 dollars, or as adjusted from time to time by the federal Civil Penalties
82 Inflation Adjustment Act of 1990, 28 USC 2461, (2) three times the
83 amount of damages that the state sustains because of the act of that
84 person, and (3) the costs of investigation and prosecution of such
85 violation. Liability under this section shall be joint and several for any
86 violation of this section committed by two or more persons.

87 (c) Notwithstanding the provisions of subsection (b) of this section
88 concerning treble damages, if the court finds that: (1) A person
89 committing a violation of subsection (a) of this section furnished
90 officials of the state responsible for investigating false claims violations
91 with all information known to such person about the violation not later
92 than thirty days after the date on which the person first obtained the
93 information; (2) such person fully cooperated with an investigation by
94 the state of such violation; and (3) at the time such person furnished
95 the state with the information about the violation, no criminal
96 prosecution, civil action or administrative action had commenced
97 under sections 3 to 7, inclusive, of this act with respect to such
98 violation, and such person did not have actual knowledge of the
99 existence of an investigation into such violation, the court may assess
100 not less than two times the amount of damages which the state
101 sustains because of the act of such person. Any information furnished
102 pursuant to this subsection shall be exempt from disclosure under
103 section 1-210 of the general statutes, as amended by this act.

104 Sec. 3. (NEW) (*Effective from passage*) The Attorney General may
105 investigate any violation of subsection (a) of section 2 of this act. Any
106 information obtained pursuant to such an investigation shall be
107 exempt from disclosure under section 1-210 of the general statutes, as

108 amended by this act. If the Attorney General finds that a person has
109 violated or is violating any provision of subsection (a) of section 2 of
110 this act, the Attorney General may bring a civil action in the superior
111 court for the judicial district of Hartford under this section in the name
112 of the state against such person.

113 Sec. 4. (NEW) (*Effective from passage*) (a) A person may bring a civil
114 action in the superior court for the judicial district of Hartford against
115 any person who violates subsection (a) of section 2 of this act, for the
116 person who brings the action and for the state. Such civil action shall
117 be brought in the name of the state. The action may thereafter be
118 withdrawn only if the court and the Attorney General give written
119 consent to the withdrawing of such action and their reasons for
120 consenting.

121 (b) A copy of the complaint and written disclosure of substantially
122 all material evidence and information the person who brings such
123 action possesses shall be served on the state by serving the Attorney
124 General in the manner prescribed in section 52-64 of the general
125 statutes. The complaint shall be filed in camera, shall remain under
126 seal for at least sixty days and shall not be served on the defendant
127 until the court so orders. The court, upon motion of the Attorney
128 General, may, for good cause shown, extend the time during which the
129 complaint remains under seal. Such motion may be supported by
130 affidavits or other submissions in camera. Prior to the expiration of the
131 time during which the complaint remains under seal, the Attorney
132 General shall: (1) Proceed with the action in which case the action shall
133 be conducted by the Attorney General, or (2) notify the court that the
134 Attorney General declines to take over the action in which case the
135 person bringing the action shall have the right to conduct the action.

136 (c) If the court orders the complaint to be unsealed and served, the
137 court shall issue an appropriate order of notice requiring the same
138 notice that is ordinarily required to commence a civil action. The
139 defendant shall not be required to respond to any complaint filed
140 under this section until thirty days after the complaint is served upon

141 the defendant.

142 (d) If a person brings an action under this section, no person other
143 than the state may intervene or bring a related action based on the facts
144 underlying the pending action.

145 Sec. 5. (NEW) (*Effective from passage*) (a) If the Attorney General,
146 pursuant to section 4 of this act, elects to proceed with the action, the
147 Attorney General shall have the primary responsibility for prosecuting
148 the action and shall not be bound by any act of the person bringing the
149 action. Such person shall have the right to continue as a party to the
150 action, subject to the limitations set forth in this section.

151 (b) The Attorney General may withdraw such action
152 notwithstanding the objections of the person bringing the action if the
153 Attorney General has notified such person of the filing of the motion
154 and the court has provided such person with an opportunity for a
155 hearing on the motion.

156 (c) The Attorney General may settle the action with the defendant
157 notwithstanding the objections of the person bringing the action if the
158 court determines, after a hearing, that the proposed settlement is fair,
159 adequate and reasonable under all the circumstances. Upon a showing
160 of good cause, such hearing may be held in camera.

161 (d) Upon a showing by (1) the Attorney General that unrestricted
162 participation during the course of the litigation by the person bringing
163 the action would (A) interfere with or unduly delay the Attorney
164 General's prosecution of the case, or (B) be repetitious, irrelevant or for
165 purposes of harassment; or (2) the defendant that unrestricted
166 participation during the course of the litigation by the person bringing
167 the action would be for purposes of harassment, or would cause the
168 defendant undue burden or unnecessary expense, the court may, in its
169 discretion, impose limitations on the person's participation, including,
170 but not limited to, (i) limiting the number of witnesses that such
171 person may call, (ii) limiting the length of the testimony of any such
172 witnesses, (iii) limiting the person's cross-examination of any such

173 witnesses, or (iv) otherwise limiting the participation by the person in
174 the litigation.

175 (e) If the court awards civil penalties or damages to the state or if the
176 Attorney General settles with the defendant and receives civil
177 penalties or damages, the person bringing such action shall receive
178 from the proceeds not less than fifteen per cent but not more than
179 twenty-five per cent of such proceeds of the action or settlement of the
180 claim, based upon the extent to which the person substantially
181 contributed to the prosecution of the action. Any such person shall also
182 receive an amount for reasonable expenses which the court finds to
183 have been necessarily incurred, plus reasonable attorneys' fees and
184 costs. All such expenses, fees and costs shall be awarded against the
185 defendant.

186 (f) Notwithstanding the provisions of subsection (e) of this section,
187 where the action is one that the court finds to be based primarily on
188 disclosures of specific information that was not provided by the person
189 bringing the action relating to allegations or transactions (1) in a
190 criminal, civil or administrative hearing, (2) in a report, hearing, audit
191 or investigation conducted by the General Assembly, a committee of
192 the General Assembly, the Auditors of Public Accounts, a state agency
193 or a quasi-public agency, or (3) from the news media, the court may
194 award from such proceeds to the person bringing the action such sums
195 as it considers appropriate, but in no case more than ten per cent of the
196 proceeds, taking into account the significance of the information and
197 the role of the person bringing the action in advancing the case to
198 litigation. Any such person shall also receive an amount for reasonable
199 expenses that the court finds to have been necessarily incurred, plus
200 reasonable attorneys' fees and costs. All such expenses, fees and costs
201 shall be awarded against the defendant.

202 Sec. 6. (NEW) (*Effective from passage*) (a) If the Attorney General
203 declines to proceed with the action, the person who brought the action
204 shall have the right to conduct the action. In the event that the
205 Attorney General declines to proceed with the action, upon the request

206 of the Attorney General, the court shall order that copies of all
207 pleadings filed in the action and copies of any deposition transcripts be
208 provided to the state. When the person who brought the action
209 proceeds with the action, the court, without limiting the status and
210 rights of such person, may permit the Attorney General to intervene at
211 a later date upon a showing of good cause.

212 (b) A person bringing an action under this section or settling the
213 claim shall receive an amount which the court decides is reasonable for
214 collecting the civil penalty and damages. The amount shall be not less
215 than twenty-five per cent or more than thirty per cent of the proceeds
216 of the action or settlement and shall be paid out of such proceeds. Such
217 person shall also receive an amount for reasonable expenses that the
218 court finds to have been necessarily incurred, plus reasonable
219 attorneys' fees and costs. All such expenses, fees and costs shall be
220 awarded against the defendant.

221 (c) If a defendant prevails in the action conducted under this section
222 and the court finds that the claim of the person bringing the action was
223 clearly frivolous, clearly vexatious or brought primarily for purposes
224 of harassment, the court may award reasonable attorneys' fees and
225 expenses to the defendant.

226 (d) Irrespective of whether the Attorney General proceeds with the
227 action, upon request and showing by the Attorney General that certain
228 motions or requests for discovery by a person bringing the action
229 would interfere with the state's investigation or prosecution of a
230 criminal or civil matter arising out of the same facts, the court may stay
231 such discovery for a period of not more than sixty days from the date
232 of the order of the stay. Such a showing shall be conducted in camera.
233 The court may extend the stay for an additional sixty-day period upon
234 a further showing in camera that the state has pursued the criminal or
235 civil investigation or proceedings with reasonable diligence and any
236 proposed discovery in the civil action will interfere with the ongoing
237 criminal or civil investigation or proceedings. For the purposes of this
238 subsection, the Chief State's Attorney or state's attorney for the

239 appropriate judicial district may appear to explain to the court the
240 potential impact of such discovery on a pending criminal investigation
241 or prosecution.

242 Sec. 7. (NEW) (*Effective from passage*) Notwithstanding the provisions
243 of section 4 of this act, the Attorney General may elect to pursue the
244 state's claim through any alternate remedy available to the state,
245 including any administrative proceeding to determine a civil penalty.
246 If any such alternate remedy is pursued in another proceeding, the
247 person bringing the action shall have the same rights in such
248 proceeding as such person would have had if the action had continued
249 under the provisions of sections 4 to 6, inclusive, of this act. Any
250 finding of fact or conclusion of law made in such other proceeding that
251 has become final shall be conclusive on all parties to an action under
252 sections 4 to 6, inclusive, of this act. A finding or conclusion is final if it
253 has been finally determined on appeal to the appropriate court of the
254 state, if the time for filing such an appeal with respect to the finding or
255 conclusion has expired or if the finding or conclusion is not subject to
256 judicial review.

257 Sec. 8. (NEW) (*Effective from passage*) Notwithstanding the provisions
258 of sections 5 and 6 of this act, if the court finds that the action was
259 brought by a person who planned and initiated the violation of
260 subsection (a) of section 2 of this act, upon which violation an action
261 was brought, then the court may reduce the share of the proceeds of
262 the action that the person would otherwise receive under section 5 or 6
263 of this act, taking into account the role of that person in advancing the
264 case to litigation and any relevant circumstances pertaining to the
265 violation. If a person bringing the action is convicted of criminal
266 conduct arising from his or her role in the violation of subsection (a) of
267 section 2 of this act, such person shall be dismissed from the civil
268 action and shall not receive any share of the proceeds of the action.
269 Such dismissal shall not prejudice the right of the Attorney General to
270 continue the action.

271 Sec. 9. (NEW) (*Effective from passage*) (a) No court shall have

272 jurisdiction over an action brought under section 4 of this act (1)
273 against a member of the General Assembly, a member of the judiciary
274 or an elected officer or department head of the state if the action is
275 based on evidence or information known to the state when the action
276 was brought; or (2) that is based upon allegations or transactions that
277 are the subject of a civil suit or an administrative civil penalty
278 proceeding in which the state is already a party.

279 (b) Unless opposed by the state, the court shall dismiss an action or
280 claim brought under section 4 of this act if allegations or transactions
281 that are substantially the same as those alleged in the action or claim
282 were publicly disclosed (1) in a state criminal, civil or administrative
283 hearing in which the state or its agent is a party, (2) in a report,
284 hearing, audit or investigation conducted by the General Assembly, a
285 committee of the General Assembly, the Auditors of Public Accounts, a
286 state agency or quasi-public agency, or (3) by the news media, except
287 the court shall not dismiss such action or claim if the action or claim is
288 brought by the Attorney General or the person who is an original
289 source of information.

290 (c) For purposes of this section, "original source" means an
291 individual who (1) voluntarily discloses to the state information on
292 which the allegations or transactions in an action or claim are based,
293 prior to public disclosure of such information as described in
294 subdivisions (1), (2) and (3) of subsection (b) of this section, or (2) has
295 knowledge that is independent of and materially adds to the publicly
296 disclosed allegations or transactions and has voluntarily provided the
297 information to the state before filing an action or claim under sections
298 3 to 7, inclusive, of this act.

299 Sec. 10. (NEW) (*Effective from passage*) The state of Connecticut shall
300 not be liable for expenses which a person incurs in bringing an action
301 under sections 4 to 7, inclusive, of this act.

302 Sec. 11. (NEW) (*Effective from passage*) (a) Any employee, contractor,
303 or agent shall be entitled to all relief necessary to make that employee,
304 contractor, or agent whole, if that employee, contractor, or agent is

305 discharged, demoted, suspended, threatened, harassed, or in any other
306 manner discriminated against in the terms and conditions of
307 employment because of lawful acts done by the employee, contractor,
308 agent or associated others in furtherance of an action under sections 3
309 to 7, inclusive, of this act or other efforts to stop one or more violations
310 of section 2 of this act.

311 (b) Relief under subsection (a) of this section shall include
312 reinstatement with the same seniority status that the employee,
313 contractor, or agent would have had but for the discrimination, two
314 times the amount of back pay, interest on the back pay, and
315 compensation for any special damages sustained as a result of the
316 discrimination, including litigation costs and reasonable attorneys'
317 fees. An action under this section may be brought in the Superior
318 Court for the relief provided in this section.

319 (c) A civil action under this section may not be brought more than
320 three years after the date when the retaliation occurred.

321 Sec. 12. (NEW) (*Effective from passage*) A civil action under sections 3
322 to 7, inclusive, of this act may not be brought: (1) More than six years
323 after the date on which the violation of subsection (a) of section 2 of
324 this act is committed, or (2) more than three years after the date when
325 facts material to the right of action are known or reasonably should
326 have been known by the official of the state charged with
327 responsibility to act in the circumstances, but in no event more than
328 ten years after the date on which the violation is committed, whichever
329 last occurs. If the state elects to intervene and proceed with an action
330 brought under sections 3 to 7, inclusive, of this act the state may file its
331 own complaint or amend the complaint of a person who has brought
332 an action under sections 3 to 7, inclusive, of this act to clarify or add
333 detail to claims in which the state is intervening and to add any
334 additional claim under which the state contends that it is entitled to
335 relief. For statute of limitation purposes, any such state pleading shall
336 relate back to the filing date of the complaint of the person who
337 originally brought the action to the extent that the claim of the state

338 arises out of the conduct, transactions or occurrences set forth or
339 attempted to be set forth in the prior complaint of such person.

340 Sec. 13. (NEW) (*Effective from passage*) In any action brought under
341 sections 3 to 7, inclusive, of this act the Attorney General or the person
342 initiating such action shall be required to prove all essential elements
343 of the cause of action, including damages, by a preponderance of the
344 evidence.

345 Sec. 14. (NEW) (*Effective from passage*) Notwithstanding any other
346 provision of law, a final judgment rendered in favor of the state
347 against a defendant in any criminal proceeding charging fraud or false
348 statements, whether upon a verdict after trial or upon a plea of guilty
349 or nolo contendere, shall estop such defendant from denying the
350 essential elements of the offense in any action which involves the same
351 transaction as in the criminal proceeding and which is brought in
352 accordance with the provisions of sections 3 to 7, inclusive, of this act.

353 Sec. 15. (NEW) (*Effective from passage*) The provisions of sections 1 to
354 15, inclusive, of this act and subsection (a) of section 4-61dd of the
355 general statutes are not exclusive, and the remedies provided for shall
356 be in addition to any other remedies provided for in any other
357 provision of the general statutes or federal law or available under
358 common law.

359 Sec. 16. (NEW) (*Effective from passage*) On January 1, 2015, and
360 annually thereafter, the Attorney General shall submit a report to the
361 General Assembly and the Governor, in accordance with section 11-4a
362 of the general statutes, that contains the following information:

363 (1) The number of civil actions the Attorney General filed during the
364 previous fiscal year under sections 3 to 7, inclusive, of this act;

365 (2) The number of civil actions private persons filed during the
366 previous fiscal year under sections 3 to 7, inclusive, of this act
367 including the number of civil actions that remain under seal, along
368 with (A) the state or federal courts in which such civil actions were

369 filed and the number of civil actions filed in each such court, (B) the
370 state program or agency involved in each civil action, and (C) the
371 number of civil actions filed by private individuals who previously
372 had filed an action based on the same or similar transactions or
373 allegations under the federal False Claims Act, 31 USC 3729-3733, as
374 amended from time to time, or the false claims act of any other state;
375 and

376 (3) The amount that was recovered by the state under sections 3 to 7,
377 inclusive, of this act in settlement, damages and penalties and the
378 litigation cost, if known, along with the (A) case number and parties
379 for each civil action where there was a recovery, (B) separate amount
380 of any funds recovered for damages, penalties and litigation costs, and
381 (C) percentage of the recovery and the amount that the state paid to
382 any private person who brought the civil action.

383 Sec. 17. Subsection (c) of section 4-61dd of the general statutes is
384 repealed and the following is substituted in lieu thereof (*Effective from*
385 *passage*):

386 (c) The Attorney General may summon witnesses, require the
387 production of any necessary books, papers or other documents and
388 administer oaths to witnesses, where necessary, for the purpose of an
389 investigation pursuant to this section or for the purpose of
390 investigating a suspected violation of subsection (a) of section [17b-
391 301b] 2 of this act until such time as the Attorney General files a civil
392 action pursuant to section [17b-301c] 3 of this act. Upon the conclusion
393 of the investigation, the Attorney General shall where necessary,
394 report any findings to the Governor, or in matters involving criminal
395 activity, to the Chief State's Attorney. In addition to the exempt records
396 provision of section 1-210, as amended by this act, the Auditors of
397 Public Accounts and the Attorney General shall not, after receipt of
398 any information from a person under the provisions of this section or
399 sections [17b-301c to 17b-301g] 3 to 7, inclusive, of this act disclose the
400 identity of such person without such person's consent unless the
401 Auditors of Public Accounts or the Attorney General determines that

402 such disclosure is unavoidable, and may withhold records of such
 403 investigation, during the pendency of the investigation.

404 Sec. 18. Subdivision (13) of subsection (b) of section 1-210 of the 2014
 405 supplement to the general statutes is repealed and the following is
 406 substituted in lieu thereof (*Effective from passage*):

407 (13) Records of an investigation or the name of an employee
 408 providing information under the provisions of section 4-61dd, as
 409 amended by this act, or sections [17b-301c to 17b-301g] 3 to 7,
 410 inclusive, of this act;

411 Sec. 19. Sections 17b-301a to 17b-301p, inclusive, of the general
 412 statutes are repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>from passage</i>	New section
Sec. 17	<i>from passage</i>	4-61dd(c)
Sec. 18	<i>from passage</i>	1-210(b)(13)
Sec. 19	<i>from passage</i>	Repealer section

Statement of Legislative Commissioners:

In subdivisions (4) and (5) of subsection (a) of section 2, the order of the clauses in such subdivisions was revised for clarity and conformity with standard drafting conventions. Additionally, the following changes were made for clarity: In section 3, "this investigation" was changed to "such an investigation"; in section 4(b), "person" was changed to "person who brings such action"; in section 4(c), "Superior Court" was changed to "court" and in section 5(b), the second and third references to "the person" were changed to "such person". In section 11, "1 to 15" was changed to "2" for accuracy. Section 17 was redesignated as section 19 and new sections 17 and 18 were added to make conforming changes to other sections of the general statutes.

APP *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$
Attorney General	GF - Cost	200,000

Municipal Impact: None

Explanation

The bill expands application of the False Claims Act from Medicaid to all health and human services programs. sHB 5030, the revised FY 15 budget, as favorably reported by the Appropriations Committee, appropriates \$200,000 in FY 15 to the Office of the Attorney General for potential litigation.

Section 4 allows a civil action be brought before the Superior Court. There is no impact to the Judicial Department as the number of actions is not anticipated to be great enough to need additional resources. The court system disposes of over 400,000 cases annually.

Currently, the state can pursue fraud under the False Claims Act only for the Medicaid program. The FY 15 budget includes anticipated savings of \$104 million under Medicaid from enhanced efforts to curtail fraud.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OFA Bill Analysis

SB 22

AN ACT CONCERNING THE PREVENTION OF FRAUD IN GOVERNMENT PROGRAMS.

SUMMARY:

This bill expands application of the Connecticut False Claims Act from Medicaid to: (1) all health and human services agencies and programs, (2) state payments made for state employee and retiree health and (3) state-paid Workers' Compensation medical claims.

EFFECTIVE DATE: Upon passage

BACKGROUND

The Connecticut False Claims Act (FCA) was created in 2009 for medical assistance programs administered by the Department of Social Services (Medicaid, State-Administered General Assistance (SAGA), HUSKY B, and Charter Oak). It allows the state to take advantage of a 2005 federal Deficit Reduction Act provision that permits states that adopt their own FCA to keep a greater share of any Medicaid funds they recover under it.

COMMITTEE ACTION

Appropriations Committee

Joint Favorable
Yea 49 Nay 0 (04/1/2014)