

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 1736

6 By: Peterson

7 COMMITTEE SUBSTITUTE

8 An Act relating to Medicaid fraud; amending 56 O.S.  
9 2001, Section 162.4, which relates to the authority  
10 of the Office of Inspector General; authorizing the  
11 Office of Inspector General to investigate certain  
12 fraud cases; defining terms; prohibiting certain  
13 acts; establishing penalties for certain frauds;  
14 providing for codification; and providing an  
15 effective date.

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

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

19 Section 162.4 The Director of the Department of Human Services  
20 shall have the authority to commission certified employees within  
21 the Office of the Inspector General of the Department as peace  
22 officers. The authority of employees so commissioned shall include  
23 the authority to investigate crimes committed against the Department  
24 or crimes committed in the course of any program administered by the  
Department and the authority to investigate cases of Medicaid

1 recipient fraud. Employees so commissioned shall also have the  
2 authority to serve and execute process, bench warrants and other  
3 court orders in any judicial or administrative proceeding in which  
4 the Department is a party or participant. Use and possession of  
5 firearms shall be at the discretion of the Director of the  
6 Department of Human Services, for the fraud unit only. To become  
7 qualified as peace officers for the commission, employees shall  
8 first obtain a certificate as provided for in Section 3311 of Title  
9 70 of the Oklahoma Statutes.

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

13 A. As used in this section:

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

19 2. "Insure Oklahoma" means the program administered by the  
20 Oklahoma Health Care Authority pursuant to Sections 1010.1 through  
21 1010.13 of Title 56 of the Oklahoma Statutes.

22 B. Any individual who:

23 1. Obtains or attempts to obtain, or aids, abets or assists any  
24 individual to obtain, by means of a false statement or

1 representation, or by false impersonation, or by a fictitious  
2 transfer, conveyance or encumbrance of property or income, or by a  
3 knowing and willful failure to report to the Department of Human  
4 Services or the Oklahoma Health Care Authority income, personal  
5 property, real property, household members, or other material  
6 eligibility factors at the time of application or during the receipt  
7 of assistance, or by other fraudulent device, assistance to which an  
8 applicant is not entitled or assistance greater than that to which  
9 an applicant is justly entitled shall be guilty of a misdemeanor or  
10 a felony;

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

17 3. Attempts to obtain Medicaid or Insure Oklahoma benefits by  
18 omitting income, personal property, household members, or other  
19 material eligibility factors shall, upon conviction, be guilty of a  
20 misdemeanor punishable by either a fine of three times the amount of  
21 assistance, or up to three (3) months in the county jail. In  
22 addition, the individual may also be punished by an administrative  
23 sanction regarding Medicaid benefits. The court shall have  
24 discretion in determining penalties.

1 C. If the acts in either paragraph 1 or 2 of subsection B of  
2 this section or both paragraphs 1 and 2 of subsection B of this  
3 section cause the Oklahoma Health Care Authority to determine that  
4 an individual or family is eligible for Medicaid or the Insure  
5 Oklahoma program and the aggregate amount of assistance paid on  
6 behalf of the individual or individuals is less than Five Thousand  
7 Dollars (\$5,000.00), the penalty, upon conviction, shall be a  
8 misdemeanor punishable by fine or imprisonment, or both a fine and  
9 imprisonment for three (3) months or an administrative sanction  
10 regarding Medicaid benefits in the discretion of the court. If the  
11 acts in paragraph 1 or 2 of subsection B of this section or both  
12 paragraphs 1 and 2 of subsection B of this section cause the  
13 Oklahoma Health Care Authority to determine an individual or family  
14 eligible for Medicaid or the Insure Oklahoma program and the  
15 aggregate amount of assistance paid on behalf of the individual or  
16 individuals is equal to or greater than Five Thousand Dollars  
17 (\$5,000.00), the penalty, upon conviction, shall be a felony  
18 punishable by fine or imprisonment or both a fine and imprisonment  
19 for not more than five (5) years or an administrative sanction  
20 regarding Medicaid benefits in the discretion of the court.

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

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