

1 **SENATE FLOOR VERSION**

2 April 11, 2011

3 As Amended

4 ENGROSSED HOUSE

5 BILL NO. 1736

6 By: Peterson and Tibbs of the
7 House

8 and

9 Jolley of the Senate

10 [Medicaid fraud - authority of Office of Inspector
11 General - authorizing Office to investigate fraud
12 cases - codification - effective date]

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

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

16 Section 162.4 The Director of the Department of Human Services
17 shall have the authority to commission certified employees within
18 the Office of the Inspector General of the Department as peace
19 officers. The authority of employees so commissioned shall include
20 the authority to investigate crimes committed against the Department
21 or crimes committed in the course of any program administered by the
22 Department and the authority to investigate cases of Medicaid
23 recipient fraud. Employees so commissioned shall also have the
24 authority to serve and execute process, bench warrants and other
court orders in any judicial or administrative proceeding in which

1 the Department is a party or participant. Use and possession of
2 firearms shall be at the discretion of the Director of the
3 Department of Human Services, for the fraud unit only. To become
4 qualified as peace officers for the commission, employees shall
5 first obtain a certificate as provided for in Section 3311 of Title
6 70 of the Oklahoma Statutes.

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

10 A. As used in this section:

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

16 2. "Insure Oklahoma" means the program administered by the
17 Oklahoma Health Care Authority pursuant to Sections 1010.1 through
18 1010.13 of Title 56 of the Oklahoma Statutes.

19 B. Any individual who:

20 1. Obtains or attempts to obtain, or aids, abets or assists any
21 individual to obtain, by means of a false statement or
22 representation, or by false impersonation, or by a fictitious
23 transfer, conveyance or encumbrance of property or income, or by a
24 knowing and willful failure to report to the Department of Human

1 Services or the Oklahoma Health Care Authority income, personal
2 property, real property, household members, or other material
3 eligibility factors at the time of application or during the receipt
4 of assistance, or by other fraudulent device, assistance to which an
5 applicant is not entitled or assistance greater than that to which
6 an applicant is justly entitled shall be guilty of a misdemeanor or
7 a felony;

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

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

22 C. If the acts in either paragraph 1 or 2 of subsection B of
23 this section or both paragraphs 1 and 2 of subsection B of this
24 section cause the Oklahoma Health Care Authority to determine that

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

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

19 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-6-11 - DO
20 PASS, As Amended.

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