

House Study Bill 89 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
INSPECTIONS AND APPEALS
BILL)

A BILL FOR

1 An Act relating to investigative costs of the Medicaid fraud
2 control unit.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 249A.7, subsection 3, Code 2011, is
2 amended to read as follows:

3 3. a. A Medicaid fraud account is created in the general
4 fund of the state under the authority of the department of
5 inspections and appeals. Moneys from penalties, investigative
6 costs recouped by the Medicaid fraud control unit, and other
7 amounts received as a result of prosecutions involving the
8 department of inspections and appeals investigations and audits
9 to ensure compliance with the medical assistance program that
10 are not credited to the program may be credited to the account.

11 b. Notwithstanding sections 8.33 and 8.39, moneys credited
12 to the account shall not revert to any other account or fund
13 and are not subject to transfer except as specifically provided
14 by law. Moneys in the fund shall be used for costs associated
15 with the department of inspections and appeals' efforts to
16 address medical assistance program fraud and abuse and for
17 costs incurred by the department of inspections and appeals
18 or other agencies in providing regulation, responding to
19 allegations, or other activity involving chapter 1350.

20 c. The department of inspections and appeals and other
21 agencies receiving moneys from the account shall provide a
22 joint annual report to the governor and general assembly
23 detailing the expenditures from the account and activities
24 performed relating to the expenditures. ~~This subsection is~~
25 ~~repealed on July 1, 2012.~~

26 d. For the purposes of this subsection, "investigative
27 costs" means the reasonable value of a Medicaid fraud control
28 unit investigator's, auditor's, or employee's time attributable
29 to a particular case, any moneys expended by the Medicaid
30 fraud control unit attributable to a particular case, and the
31 reasonable fair market value of resources used or expended by
32 the Medicaid fraud control unit attributable to a particular
33 case.

34 Sec. 2. Section 910.1, subsection 4, Code 2011, is amended
35 to read as follows:

1 4. "Restitution" means payment of pecuniary damages to
2 a victim in an amount and in the manner provided by the
3 offender's plan of restitution. "Restitution" also includes
4 fines, penalties, and surcharges, the contribution of funds to
5 a local anticrime organization which provided assistance to law
6 enforcement in an offender's case, the payment of crime victim
7 compensation program reimbursements, payment of restitution
8 to public agencies pursuant to section 321J.2, subsection
9 13, paragraph "b", court costs including correctional fees
10 approved pursuant to section 356.7, court-appointed attorney
11 fees ordered pursuant to section 815.9, including the expense
12 of a public defender, and the performance of a public service
13 by an offender in an amount set by the court when the offender
14 cannot reasonably pay all or part of the court costs including
15 correctional fees approved pursuant to section 356.7, or
16 court-appointed attorney fees ordered pursuant to section
17 815.9, including the expense of a public defender, and payment
18 to the medical assistance program pursuant to chapter 249A for
19 expenditures paid on behalf of the victim resulting from the
20 offender's criminal activities including investigative costs
21 incurred by the Medicaid fraud control unit pursuant to section
22 249A.7.

23 Sec. 3. Section 910.2, subsection 1, Code 2011, is amended
24 to read as follows:

25 1. In all criminal cases in which there is a plea of guilty,
26 verdict of guilty, or special verdict upon which a judgment
27 of conviction is rendered, the sentencing court shall order
28 that restitution be made by each offender to the victims of
29 the offender's criminal activities, to the clerk of court for
30 fines, penalties, surcharges, and, to the extent that the
31 offender is reasonably able to pay, for crime victim assistance
32 reimbursement, restitution to public agencies pursuant to
33 section 321J.2, subsection 13, paragraph "b", court costs
34 including correctional fees approved pursuant to section
35 356.7, court-appointed attorney fees ordered pursuant to

1 section 815.9, including the expense of a public defender, when
2 applicable, contribution to a local anticrime organization,
3 or restitution to the medical assistance program pursuant to
4 chapter 249A ~~for expenditures paid on behalf of the victim~~
5 ~~resulting from the offender's criminal activities.~~ However,
6 victims shall be paid in full before fines, penalties, and
7 surcharges, crime victim compensation program reimbursement,
8 public agencies, court costs including correctional fees
9 approved pursuant to section 356.7, court-appointed attorney
10 fees ordered pursuant to section 815.9, including the expenses
11 of a public defender, contributions to a local anticrime
12 organization, or the medical assistance program are paid. In
13 structuring a plan of restitution, the court shall provide
14 for payments in the following order of priority: victim,
15 fines, penalties, and surcharges, crime victim compensation
16 program reimbursement, public agencies, court costs including
17 correctional fees approved pursuant to section 356.7,
18 court-appointed attorney fees ordered pursuant to section
19 815.9, including the expense of a public defender, contribution
20 to a local anticrime organization, and the medical assistance
21 program.

22 EXPLANATION

23 This bill relates to investigative costs incurred by
24 the Medicaid fraud control unit. The bill provides that
25 investigative costs recouped by the Medicaid fraud control
26 unit, in addition to penalties and other amounts received as a
27 result of prosecutions to ensure compliance with the medical
28 assistance program that are not credited to the Medicaid
29 program, may be credited to the Medicaid fraud account. The
30 bill defines "investigative costs" as the reasonable value of
31 a Medicaid fraud control unit investigator's, auditor's, or
32 employee's time attributable to a particular case, any moneys
33 expended by the Medicaid fraud control unit attributable to
34 a particular case, and the reasonable fair market value of
35 resources used or expended by the Medicaid fraud control unit

1 attributable to a particular case.

2 The bill also amends the definition of "restitution" under
3 the restitution chapter (Code chapter 910) to include payment
4 to the medical assistance program for expenditures paid on
5 behalf of the victim resulting from the offender's criminal
6 activities including investigative costs incurred by the
7 Medicaid fraud control unit.