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For Immediate Release*

## **Medicaid “Whistleblower” Bill Headed to the Governor for Signature** (Legislation will help identify and fight Medicaid fraud and abuse.)

*Santa Fe, February 19, 2004* – Today the Senate unanimously passed the House Judiciary Committee substitute for HB 468, the New Mexico Medicaid False Claims Act, increasing the state’s ability to bring suit for Medicaid fraud and recoup the state’s share of funds. “This legislation not only helps New Mexico in fighting fraud, but will also increase the amount of funds recovered and will likely act as a deterrent to submitting inappropriate and false billings to Medicaid,” said Pamela Hyde, Human Services Department (HSD) Secretary.

The False Claims Act contains a whistleblower provision that provides incentives for people who come forward with knowledge and evidence of false claims submitted to Medicaid. “Whistleblowers can be a critical source of information for the state and, at the same time they may benefit by receiving up to 25% of the amount recovered from a successful Medicaid fraud investigation,” said Carolyn Ingram, HSD Medical Assistance Division Director.

New Mexico has worked with the U.S. Attorney General under the Federal False Claims Act, as recently as last week when a settlement with National Mentor Health Care, Inc. of Massachusetts brought in \$292,500 for improper Medicaid charges.

In the first six months of the current fiscal year, HSD has recouped over \$916,000 from increased fraud and abuse detection and control efforts. “The New Mexico False Claims act will help us increase these efforts,” said Ingram.

CS/HB 468, sponsored by Rep. “Lucky” Varela is part of Governor Richardson’s Medicaid revenue enhancement bills, which are key in maintaining eligibility for the 408,000 low-income New Mexicans who rely on Medicaid for their health care needs. The other bills include:

- SB 385 (Passed House & Senate, signed by Governor Richardson): Nursing Home Surcharge
- SB 502 (Passed House & Senate): Premium Tax Increase
- CS/HB 88 (Passed House & Senate) & SB 264 (Passed Senate & House): Mandating 340B Drug Pricing Program Participation
- HB 406 & SB 183: Amending Medicaid Pharmacy Reimbursement

CS/HB 468 now goes up to the Governor for final approval and signature.

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