May 25, 2006

S 2033. MEDICAID FRAUD/PRIVATE CIVIL ACTIONS. Filed 5/25/06. *TO AUTHORIZE CIVIL ACTIONS BY PRIVATE PERSONS FOR VIOLATIONS OF THE PROVIDER FALSE CLAIMS ACT; AND TO APPROPRIATE FUNDS TO THE DEPARTMENT OF JUSTICE TO IMPLEMENT THIS ACT*. Enacts a new Part 7A of Article 2 of GS Chapter 108A as title indicates. Specifies procedures under which a person may bring a civil action for violation of GS 108A-70.12 (false claims by Medicaid providers) on behalf of the person and the State and specifies the rights of the private plaintiff and the State in these actions. If the State proceeds with the action, the private plaintiff generally will receive at least 15% but not more than 25% of the proceeds of the action or settlement of the claim depending on the individual's contribution to the successful prosecution of the action. If the State does not proceed with the action, the private plaintiff will receive at least 25% but not more than 30% of the proceeds of the award or settlement. Prohibits actions based on information discovered by a present or former state employee during the course of the individual's state employment unless the employee exhausted internal procedures for reporting and seeking recovery of falsely claimed sums through official channels and the State failed to act on the information provided within a reasonable time. Prohibits actions based on public disclosure of allegations in a criminal, civil, or administrative proceeding, in a legislative, administrative, or State Auditor's report, or from the news media unless the action is brought by the Attorney General or the private plaintiff is the original source of the information. Provides that actions must be brought (1) within six years after the date of the violation or (2) within three years after the date when facts material to the right of action are known or reasonably should have been known by a state official charged to act or within 10 years after the date of violation, whichever occurs last. Effective July 1, 2006, appropriates an undesignated amount for 2006-07 from the General Fund to the Department of Justice for additional investigative positions. Effective December 1, 2006, except as otherwise noted.

Intro. by Rand. GS 108A, APPROP