

SUBSTITUTE FOR  
HOUSE BILL NO. 5757

A bill to amend 1977 PA 72, entitled  
"The medicaid false claim act,"  
by amending sections 7 and 12 (MCL 400.607 and 400.612), section 7  
as amended by 1984 PA 333, and by adding section 14.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7. (1) A person shall not make or present or cause to be  
2 made or presented to an employee or officer of this state a claim  
3 under the social welfare act, ~~Act No. 280 of the Public Acts of~~  
4 ~~1939, as amended, being sections 400.1 to 400.121 of the Michigan~~  
5 ~~Compiled Laws 1939 PA 280, MCL 400.1 TO 400.119B~~, upon or against  
6 the state, knowing the claim to be false.

7       (2) A person shall not make or present or cause to be made or  
8 presented a claim under the social welfare act, ~~Act No. 280 of the~~  
9 ~~Public Acts of 1939, which 1939 PA 280, MCL 400.1 TO 400.119B, THAT~~

1 he or she knows falsely represents that the goods or services for  
 2 which the claim is made were medically necessary in accordance with  
 3 professionally accepted standards. Each claim violating this  
 4 subsection ~~shall constitute~~ **IS** a separate offense. A health  
 5 facility or agency ~~shall~~ **IS** not be liable under this subsection  
 6 unless the health facility or agency, ~~pursuant~~ **ACCORDING** to a  
 7 conspiracy, combination, or collusion with a physician or other  
 8 provider, falsely represents the medical necessity of the  
 9 particular goods or services for which the claim was made.

10 **(3) A PERSON SHALL NOT KNOWINGLY MAKE, USE, OR CAUSE TO BE**  
 11 **MADE OR USED A FALSE RECORD OR STATEMENT TO CONCEAL, AVOID, OR**  
 12 **DECREASE AN OBLIGATION TO PAY OR TRANSMIT MONEY OR PROPERTY TO THE**  
 13 **STATE PERTAINING TO A CLAIM PRESENTED UNDER THE SOCIAL WELFARE ACT,**  
 14 **1939 PA 280, MCL 400.1 TO 400.119B.**

15 **(4)** ~~(3)~~ A person who violates this section is guilty of a  
 16 felony ~~—~~ punishable by imprisonment for not more than 4 years ~~—~~ or  
 17 ~~by~~ a fine of not more than \$50,000.00, or both.

18 Sec. 12. (1) A person who receives a benefit ~~which~~ **THAT** the  
 19 person is not entitled to receive by reason of fraud or making a  
 20 fraudulent statement or knowingly concealing a material fact, **OR**  
 21 **WHO ENGAGES IN ANY CONDUCT PROHIBITED BY THIS STATUTE,** shall  
 22 forfeit and pay to the state ~~a civil penalty equal to the full~~  
 23 amount received, **AND FOR EACH CLAIM A CIVIL PENALTY OF NOT LESS**  
 24 **THAN \$5,000.00 OR MORE THAN \$10,000.00** plus triple the amount of  
 25 damages suffered by the state as a result of the conduct by the  
 26 person.

27 (2) A criminal action need not be brought against the person

1 for that person to be civilly liable under this section.

2 SEC. 14. (1) A PERSON SHALL NOT BRING A CIVIL ACTION UNDER  
3 SECTION 10A AFTER WHICHEVER OF THE FOLLOWING OCCURS LAST:

4 (A) MORE THAN 6 YEARS AFTER THE DATE ON WHICH THE VIOLATION OF  
5 SECTION 10A WAS COMMITTED.

6 (B) MORE THAN 3 YEARS AFTER THE DATE WHEN FACTS MATERIAL TO  
7 THE RIGHT OF ACTION ARE KNOWN OR REASONABLY SHOULD HAVE BEEN KNOWN  
8 BY THE OFFICIAL OF THE PROSECUTING AUTHORITY CHARGED WITH  
9 RESPONSIBILITY TO ACT IN THE CIRCUMSTANCES, BUT IN NO EVENT MORE  
10 THAN 10 YEARS AFTER THE DATE ON WHICH THE VIOLATION WAS COMMITTED.

11 (2) A PERSON MAY BRING AN ACTION UNDER THIS ACT FOR CONDUCT  
12 THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
13 ADDED THIS SECTION IF THE ACTION IS FILED WITHIN THE TIME  
14 LIMITATION IN SUBSECTION (1).