



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

LORI SWANSON
ATTORNEY GENERAL

January 13, 2014

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ST. PAUL, MN 55155
TELEPHONE: (651) 296-6196

Honorable Mary Murphy
Chair, State Government Finance and Veteran
Affairs Committee
443 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Honorable Tom Saxhaug
Chair, State Departments and Veterans
Division, Finance Committee
328 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

Honorable Bob Dettmer
Minnesota House of Representatives
279 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Honorable Roger C. Chamberlain
Minnesota State Senate
129 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1298

Re: Report Required Under Minn. Stat. § 15C.16 (2012)

Dear Chairs and Ranking Members:

As you know, the Minnesota False Claims Act ("MFCA") became effective July 1, 2010. Minn. Stat. § 15C.16 (2012) requires this Office to report to the chairs and ranking minority members of the Senate and House of Representative Committees with jurisdiction over state government finance by January 15 of each year on activities carried out under Chapter 15C during the prior calendar year. Pursuant to this requirement, I am providing the following information:

- 1) *The number of complaints received by the Attorney General's Office under Minn. Stat. § 15C.05 (2012):* 73 complaints were received in 2013, where a claim was made that included, in part, Minn. Stat. § 15C.05. None of these complaints were filed exclusively under § 15C.05; rather, they were filed primarily under the Federal False Claims Act ("FCA").
- 2) *The number of times in 2013 the Attorney General's Office intervened and declined to intervene after receiving a complaint filed pursuant to Minn. Stat. § 15C.05:* In 2013, the Office declined to intervene in 15 cases and received notification that 3 cases were dismissed by the relators. The Office did not intervene in any cases in 2013 exclusively alleging violations of § 15C.05. Presently, the Office has 149 cases pending in which the Office has previously intervened or is investigating.



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- 3) *An estimate of the amount of time spent by attorneys in the Attorney General's Office and an estimate of the amount of time spent by other staff in the Attorney General's Office on activities carried out in 2013 under Chapter 15C: 1460.1 attorney hours and 108.1 non-attorney hours were spent on the cases listed in paragraphs 1 and 2.*
- 4) *Net proceeds received by the State in 2013 for each action under this Chapter: 13 cases were settled with \$9,418,887.30 being disbursed to the Minnesota Department of Human Services pursuant to federal Medicaid fraud provisions.*

Please be advised that this Office continues to be a member of the National Association of Medicaid Fraud Control Units ("NAMFCU") and through this participation works in conjunction with other states and with the United States Department of Justice to pursue recoveries under the Federal False Claims Act. The Medicaid Fraud Control Unit of this Office has been advised by letter, hereto attached, dated November 12, 2013 by Daniel Levinson, Inspector General of the U.S. Department of Health and Human Services, that the Minnesota False Claims Act provisions, as amended by the Legislature in 2013, meet the requirement for the enhanced financial incentive provided by section 1909 of the Social Security Act.

Sincerely,



ELIZABETH McAFEE
Director of Legal Operations

(651) 296-2351

Enclosure: November 12, 2013 Correspondence from Daniel Levinson, Inspector General of the Department of Health and Human Services



DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



NOV 12 2013

Mr. Chuck Roehrdanz
Director, Medicaid Fraud Control Unit
Office of Attorney General
445 Minnesota Street, Suite 900
St. Paul, MN 55101-2127

Dear Mr. Roehrdanz:

The Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS) received your request to review the amended Minnesota False Claims Act, Minn. Stat. §§ 15C.01 through 15C.16, under the requirements of section 1909 of the Social Security Act (the Act). Section 1909 of the Act provides a financial incentive for a State to enact a law relating to the submission of false or fraudulent claims to the State Medicaid program. For a State to qualify for this incentive, the State law must meet certain requirements enumerated under section 1909(b) of the Act, as determined by the Inspector General of HHS in consultation with the U.S. Department of Justice (DOJ). We have determined, after consulting with DOJ, that the amended Minnesota False Claims Act meets the requirements of section 1909 of the Act.

Any amendment to the Minnesota False Claims Act could affect OIG's determination that it meets the requirements of section 1909 of the Act. Therefore, please notify OIG of any amendment to the Minnesota False Claims Act within 30 days after such amendment.

If you have any questions regarding this review, please contact me or have your staff contact Lisa Veigel or Tamara Forsy at 202-619-0335.

Sincerely,

Daniel R. Levinson

Daniel R. Levinson
Inspector General