

Regular Session, 2010

HOUSE BILL NO. 1483 (Substitute for House Bill No. 1360 by Representative Wooton)

BY REPRESENTATIVE WOOTON

FRAUD: Establishes penalties for knowingly and willfully committing health care fraud

1 AN ACT

2 To amend and reenact R.S. 22:1924(A)(1) and to enact R.S. 22:1924(A)(3), relative to
3 insurance fraud; to provide definitions; to establish penalties for knowingly and
4 willfully committing health care fraud; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1924(A)(1) is hereby amended and reenacted and R.S.
7 22:1924(A)(3) is hereby enacted to read as follows:

8 §1924. Prohibited activities and sanctions

9 A.(1) Any person who, with the intent to injure, defraud, or deceive any
10 insurance company, or the Department of Insurance, or any insured or other party in
11 interest, or any third-party claimant commits any of the acts specified in Paragraph
12 (2) or (3) of this Subsection is guilty of a felony and shall be subjected to a term of
13 imprisonment, with or without hard labor, not to exceed five years, or a fine not to
14 exceed five thousand dollars, or both, on each count and payment of restitution to the
15 victim company of any insurance payments to the defendant that the court
16 determines was not owed and the costs incurred by the victim company associated
17 with the evaluation and defense of the fraudulent claim, including but not limited to
18 the investigative costs, attorney fees, and court costs. However, if the benefit
19 pursued does not exceed one thousand dollars, the term of imprisonment shall not

1 exceed six months, or the fine shall not exceed one thousand dollars, or both, on each
2 count.

3 * * *

4 (3)(a) Knowingly and willfully committing health care fraud shall be
5 punishable as provided in Paragraph (1) of this Subsection.

6 (b) Health care fraud shall mean, in conjunction with the delivery of or
7 payment for health care benefits, items, or services:

8 (i) To execute a scheme or artifice to defraud any health care benefit
9 program.

10 (ii) To obtain, by means of fraudulent claims, or false or fraudulent
11 pretenses, representations, or promises, any of the money or property owned by, or
12 under the custody or control of, any health care benefit program.

13 (c) For the purposes of this Paragraph, "knowingly and willfully" shall mean
14 to continue with a practice, after written notice to cease such practice from a health
15 care benefit program by certified mail, return receipt requested, except when the
16 health care provider reasonably believes that such practice materially complies with
17 coding or billing standards as issued by the American Medical Association, the
18 United States Department of Health and Human Services, the Centers for Medicare
19 and Medicaid Services, or the Louisiana Medicaid Program.

20 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Wooton

HB No. 1483

Abstract: Provides penalties for knowingly and willfully committing health care fraud.

Present law provides that any person who, with the intent to injure, defraud, or deceive any insurance company, or the Department of Insurance, or any insured or other party in interest, or any third-party claimant commits any of the acts specified in present law is guilty of a felony and shall be subjected to a term of imprisonment, with or without hard labor, not to exceed 5 years, or a fine not to exceed \$5000, or both, on each count and payment of restitution to the victim company of any insurance payments to the defendant that the court determines was not owed and the costs incurred by the victim company associated with the

evaluation and defense of the fraudulent claim, including but not limited to the investigative costs, attorney fees, and court costs. However, if the benefit pursued does not exceed \$1000, the term of imprisonment shall not exceed 6 months, or the fine shall not exceed \$1000, or both, on each count.

Proposed law provides that knowingly and willfully committing health care fraud shall be punishable as provided in present law. Defines health care fraud as doing any of the following while in conjunction with the delivery of or payment for health care benefits, items, or services:

- (1) To execute a scheme or artifice to defraud any health care benefit program.
- (2) To obtain, by means of fraudulent claims, or false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program.

Proposed law also defines "knowingly and willfully" as continuing with a practice, after written notice to cease such practice from a health care benefit program by certified mail, return receipt requested, except when the health care provider reasonably believes that such practice materially complies with coding or billing standards as issued by the American Medical Association, the United States Department of Health and Human Services, the Centers for Medicare and Medicaid Services, or the Louisiana Medicaid Program.

(Amends R.S. 22:1924(A)(1); Adds R.S. 22:1924(A)(3))