

**Department of Planning and Budget**  
**2007 Fiscal Impact Statement**

**1. Bill Number** SB 1183

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

**2. Patron** Williams

**3. Committee** Courts of Justice

**4. Title** Increase in payments of civil penalties for false claims

**5. Summary/Purpose:** The bill increases the minimum amount of civil penalties from \$5,000 to \$5,500 and the maximum amount from \$10,000 to \$11,000 for making a false claim or attempting to defraud the Commonwealth. The bill also states that violators shall be liable for reasonable attorney fees, expenses, and costs associated with maintaining civil action. Such fees are to be paid to the Office of the Attorney General (OAG). The bill removes motion of judgment language and replaces it with complaint language in actions under § 8.01-216.3 et seq., *Code of Virginia*. In addition, the bill enhances the ability of the OAG to investigate and prosecute individuals or entities under contract who obtain funds fraudulently. Finally the bill allows the Commonwealth to bring civil fraud actions within six years of discovery, or within three years after the fraud should have reasonably been discovered by an agent of the Commonwealth.

**6. Fiscal Impact Estimates are:** Not available. (See Item 8)

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** Civil penalties for making a false claim related to medical payments by the Commonwealth are collected by the Department of Medical Assistance Services (DMAS) during the recovery process. By increasing these penalties, there could be an increase in DMAS' recoveries. Other agencies may also experience increased recoveries. However, there is not sufficient data available to estimate any increase in additional recoveries. Any increase is expected to be minimal.

**9. Specific agency or political subdivisions affected:** Department of Medical Assistance Services and possibly other state agencies.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

Date: 01/24/07 / mst

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cc: Secretary of Health and Human Resources