

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 2354, A bill for an act relating to consumer protection; adding and modifying provisions governing Medicaid fraud; providing the attorney general certain subpoena and enforcement authority; providing criminal penalties; making conforming changes; appropriating money; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 256B.12; 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2024, section 609.466.

Reported the same back with the following amendments:

Page 2, delete section 3 and insert:

"Sec. 3. **[609.467] MEDICAL ASSISTANCE FRAUD.**

Subdivision 1. **Medical assistance fraud prohibited.** A person who intentionally presents, submits, tenders, offers, or participates in the preparation of a claim for payment, claim for reimbursement, cost report, or rate application relating to the payment of medical assistance funds under chapter 256B knowing or having reason to know that any part of the claim, report, or application is false is guilty of medical assistance fraud and may be sentenced as provided in subdivision 2.

Subd. 2. **Penalties.** Whoever violates subdivision 1 may be sentenced as follows:

(1) to imprisonment of not more than 20 years, payment of a fine of not more than \$100,000, or both if the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is more than \$35,000;

(2) to imprisonment of not more than ten years, payment of a fine of not more than \$20,000, or both if:

(i) the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is more than \$5,000 but not more than \$35,000; or

(ii) the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is not more than \$5,000 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.247; 609.522; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(3) to imprisonment of not more than five years, payment of a fine of not more than \$10,000, or both if the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is not more than \$5,000.

Subd. 3. **Aggregation.** The total of all claims for payment, claims for reimbursement, cost reports, and rate applications submitted, tendered, or offered in violation of subdivision 1 within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of subdivision 2. When the same person commits two or more offenses in two or more counties, the accused may be prosecuted for all of the offenses aggregated under this subdivision in any county in which one of the offenses was committed.

Subd. 4. **Venue.** Notwithstanding anything to the contrary in section 627.01, a violation of this section may be prosecuted in:

(1) the county where any part of the offense occurred; or

(2) the county where the entity who received a claim for payment, claim for reimbursement, cost report, or rate application is located.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date."

With the recommendation that when so amended the bill be re-referred to the Committee on State Government Finance and Policy.

This Committee action taken March 25, 2025

....., Co-Chair

....., Co-Chair