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State of Minnesota HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **2354**

03/13/2025 Authored by Norris, Schomacker, Noor, Hicks and Gander
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
03/17/2025 By motion, recalled and re-referred to the Committee on Human Services Finance and Policy
03/20/2025 Adoption of Report: Re-referred to the Committee on Public Safety Finance and Policy

1.1 A bill for an act
1.2 relating to consumer protection; adding and modifying provisions governing
1.3 Medicaid fraud; providing the attorney general certain subpoena and enforcement
1.4 authority; providing criminal penalties; making conforming changes; appropriating
1.5 money; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 256B.12;
1.6 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing
1.7 Minnesota Statutes 2024, section 609.466.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2024, section 8.16, subdivision 1, is amended to read:

1.10 Subdivision 1. **Authority.** (a) The attorney general, or any deputy, assistant, or special
1.11 assistant attorney general whom the attorney general authorizes in writing, has the authority
1.12 in any county of the state to subpoena and require the production of: (1) any records of: (i)
1.13 telephone companies, cellular phone companies, and paging companies; (ii) subscribers of
1.14 private computer networks, including Internet service providers or computer bulletin board
1.15 systems; (iii) electric companies, gas companies, and water utilities; (iv) chemical suppliers; (v)
1.16 hotels and motels; (vi) pawn shops; (vii) airlines, buses, taxis, and other entities engaged
1.17 in the business of transporting people; and (viii) freight companies, self-service storage
1.18 facilities, warehousing companies, package delivery companies, and other entities engaged
1.19 in the businesses of transport, storage, or delivery, ~~and~~; (2) wage and employment records;
1.20 (3) records of the existence of safe deposit box account numbers and customer savings and
1.21 checking account numbers maintained by financial institutions and safe deposit companies;
1.22 (4) insurance records related to claim settlement; and (5) the banking, credit card, and
1.23 financial records, including but not limited to a safe deposit, loan and account application
1.24 and agreement, signature card, statement, check, transfer, account authorization, safe deposit
1.25 access record, and documentation of fraud, that belong to the subject of an investigation

conducted pursuant to the attorney general's authority under section 256B.12, whether the record is held in the investigation subject's name or in another person's name.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 2. Minnesota Statutes 2024, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the local agency in all matters pertaining hereto. To prosecute under this chapter or sections ~~609.466 and 609.467~~; 609.52, subdivision 2; and 609.542, or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

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

Subdivision 1. **Violation; elements.** A person who with intent to defraud presents, submits, tenders, or offers a claim for payment, claim for reimbursement, cost report, or rate application relating to the payment of medical assistance funds under chapter 256B that is false in whole or in part is guilty of medical assistance fraud and may be sentenced as provided under subdivision 3.

Subd. 2. **Value.** For purposes of sentencing under subdivision 3, the value of a claim for payment, claim for reimbursement, cost report, or rate application is the total amount of the claim for payment, claim for reimbursement, cost report, or rate application paid by the victims to the actor or another person.

Subd. 3. **Penalties.** A person who violates subdivision 1 is subject to the following penalties:

(1) imprisonment for not more than 20 years, payment of a fine of not more than \$100,000, or both if:

(i) the value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented, submitted, offered, or tendered is more than \$35,000; or

(ii) the aggregate value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented, submitted, offered, or tendered is more than \$35,000;

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

(i) either (A) the value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented, submitted, tendered, or offered is more than \$5,000; or (B) the aggregate value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented, submitted, offered, or tendered is more than \$5,000; or

(ii) the (A) value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented, submitted, tendered, or offered are not more than \$5,000; (B) person has been convicted during the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute in another state that conforms with a section referenced under this subitem; and (C) person received a felony or gross misdemeanor sentence for the offense listed under subitem (B), or a sentence that was stayed under section 609.135 if the offense to which a plea was entered allows imposition of a felony or gross misdemeanor sentence; and

(3) imprisonment for not more than five years, payment of a fine of not more than \$10,000, or both if:

(i) the value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented, submitted, tendered, or offered are not more than \$5,000; or

(ii) the aggregate value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented is not more than \$5,000.

Subd. 4. **Aggregation.** In any prosecution under this section, the value of the claims for payment, claims for reimbursement, cost reports, or rate applications presented, submitted, tendered, or offered in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the claims for payment, claims for reimbursement, cost reports, or rate applications was presented, submitted, tendered, or offered for all of the offenses aggregated under this subdivision.

Subd. 5. **Venue.** Notwithstanding anything to the contrary in section 627.01, an offense committed under 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 the claim for payment, claim for reimbursement, cost report, or rate application is located.

4.1 Sec. 4. Minnesota Statutes 2024, section 628.26, is amended to read:

4.2 **628.26 LIMITATIONS.**

4.3 (a) Indictments or complaints for any crime resulting in the death of the victim may be
4.4 found or made at any time after the death of the person killed.

4.5 (b) Indictments or complaints for a violation of section 609.25 may be found or made
4.6 at any time after the commission of the offense.

4.7 (c) Indictments or complaints for violation of section 609.282 may be found or made at
4.8 any time after the commission of the offense if the victim was under the age of 18 at the
4.9 time of the offense.

4.10 (d) Indictments or complaints for violation of section 609.282 where the victim was 18
4.11 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2),
4.12 shall be found or made and filed in the proper court within six years after the commission
4.13 of the offense.

4.14 (e) Indictments or complaints for violation of sections 609.322, 609.342 to 609.345, and
4.15 609.3458 may be found or made at any time after the commission of the offense.

4.16 (f) Indictments or complaints for violation of sections ~~609.466~~ 609.467 and 609.52,
4.17 subdivision 2, paragraph (a), clause (3), item (iii), shall be found or made and filed in the
4.18 proper court within six years after the commission of the offense.

4.19 (g) Indictments or complaints for violation of section 609.2335, 609.52, subdivision 2,
4.20 paragraph (a), clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where
4.21 the value of the property or services stolen is more than \$35,000, or for violation of section
4.22 609.527 where the offense involves eight or more direct victims or the total combined loss
4.23 to the direct and indirect victims is more than \$35,000, shall be found or made and filed in
4.24 the proper court within five years after the commission of the offense.

4.25 (h) Except for violations relating to false material statements, representations or
4.26 omissions, indictments or complaints for violations of section 609.671 shall be found or
4.27 made and filed in the proper court within five years after the commission of the offense.

4.28 (i) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found
4.29 or made and filed in the proper court within five years after the commission of the offense.

4.30 (j) Indictments or complaints for violation of section 609.746 shall be found or made
4.31 and filed in the proper court within the later of three years after the commission of the
4.32 offense or three years after the offense was reported to law enforcement authorities.

(k) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

(l) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

(m) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

(n) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

Sec. 5. **APPROPRIATION.**

\$390,750 in fiscal year 2026 and \$390,750 in fiscal year 2027 are appropriated from the general fund to the attorney general to combat medical assistance fraud under Minnesota Statutes, section 609.467. The base for the appropriation under this section is \$390,750 in fiscal year 2028 and \$390,750 in fiscal year 2029.

Sec. 6. **REPEALER.**

Minnesota Statutes 2024, section 609.466, is repealed.

APPENDIX
Repealed Minnesota Statutes: 25-00475

609.466 MEDICAL ASSISTANCE FRAUD.

Any person who, with the intent to defraud, presents a claim for reimbursement, a cost report or a rate application, relating to the payment of medical assistance funds pursuant to chapter 256B, to the state agency, which is false in whole or in part, is guilty of an attempt to commit theft of public funds and may be sentenced accordingly.