

# House Research Act Summary

**CHAPTER:** 16

**SESSION:** 2013 Regular Session

**TOPIC:** False Claims Act

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## Overview

In 2009, the legislature enacted a state False Claims Act, which allows private individuals to file action, on behalf of the state, against persons who allegedly made false or fraudulent claims to the government. There is longstanding federal law that provides for such actions with respect to claims submitted to the federal government. Also, under federal Medicaid law, there are financial incentives for states to adopt state False Claims Acts, provided that the act enacted by the state is at least as effective in rewarding and facilitating these actions as the federal law. This act makes changes in an effort to conform the state act with federal standards.

### Section

- 1** **Definitions.** Amends § 15C.01. Expands the definition of “claim” for purposes of this act. Adds definitions for “material” and “obligation.” Modifies the definition of “original source” so that it is not more restrictive than the definition in the Federal False Claims Act.
- 2** **Liability for certain acts.** Amends § 15C.02. Removes the requirement that the claim be presented to the state or political subdivision. Modifies provisions to conform to the breadth of conduct covered by the federal False Claims Act. Strikes paragraphs (e) and (f) because the federal act contains no similar limitations on liability.
- 3** **Private remedies; complaint under seal; copy of complaint and written disclosure of evidence to be sent to prosecuting attorney.** Amends § 15C.05. Removes the limitation that an action must involve state “money, property, or services” as that restriction is not in the federal act. Adds the limitation that an action cannot be maintained if it is based on information known to the state or political subdivision when the action was brought. Modifies provisions related to dismissal of these actions based on public disclosure by

requiring dismissal of an action if “substantially the same allegations” were publicly disclosed and providing the prosecuting attorney an opportunity to oppose dismissal.

- 4 Prosecuting attorney and private party roles.** Amends § 15C.08. Modifies provisions related to intervention by a prosecuting attorney with regard to the status and rights of the person who originally brought the action and for purposes of statute of limitations.
- 5 Award of expenses and attorney fees.** Amends § 15C.12. Modifies the provision related to award of expenses and attorney fees by removing permissive language and requiring such award if the prosecuting attorney or person who brought the action prevails.
- 6 Distribution to private plaintiff in certain actions.** Amends § 15C.13. Modifies provisions related to recovery by the person who brought the action by clarifying that such person is entitled to a portion of any recovery, including settlement, and that the portion depends on the extent to which the person contributed to prosecution of the action.
- 7 Relief from retaliatory actions.** Adds § 15C.145. Replaces the repealed section relating to employer restrictions and liability with provisions that entitle a whistleblower to certain protections from retaliatory action by an employer, contractor or agent. Provides a 3-year statute of limitations on actions under this section.
- 8 Repealer.** Repeals Minnesota Statutes, § 15C.14. (Employer restrictions; liability).