



# THE LOUDON TIMES

**Senator John Loudon**  
Senate District 7

**Capitol Building, Room 422**  
Jefferson City, MO 65101

**Column for Week of:**  
April 3, 2006

**Contact: Nick Bengston**  
(573) 751-9763

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## **Making Needed Reforms to Medicaid and TIF**

Lawmakers stayed busy this week debating two of the most important issues facing the General Assembly in 2006. Although we were not able to pass the legislation this week, senators made headway on bills cracking down on Medicaid-provider fraud and reforming state law concerning tax increment financing.

After working last year to reduce Medicaid fraud among recipients, senators in 2006 have made it a top priority to cut down on Medicaid abuse at the provider level. Fraudulent Medicaid providers are costing Missouri up to \$550 million in services that should be going to those most in need. Senate Bill 1210, which was debated this week after receiving committee approval, strengthens penalties against those who defraud Medicaid and offers financial incentives to those who report fraud.

SB 1210 increases penalties for those who defraud the system to a Class C felony, requires those convicted to serve at least 85 percent of their sentence, and prohibits them from ever again taking part in the system. The legislation also provides financial incentives and employment protections for individuals who report Medicaid fraud. Under the bill, whistleblowers can receive 20 to 35 percent of recovered funds, or 15 percent if they play a secondary role.

Medicaid abuse is as problematic at the provider level as it is among those looking to fraudulently receive benefits. This legislation will prove a vital step in seeing that taxpayer-funded health care only goes to those truly in need.

While lawmakers this week worked to protect Medicaid, we also debated legislation designed to rein in the overzealous use of tax increment financing, or TIF. TIF is the process of allowing developers to keep a portion of taxes that would otherwise go to state and local governments in order to help pay for new developments. Although this is an excellent tool to attract business to areas in need of economic growth, private developers are becoming increasingly dependent on this form of taxpayer assistance, and reforms are needed.

SB 832 allows citizens to file petitions to overturn decisions to use TIF; gives cities that have had TIF proposals rejected by a TIF commission the opportunity to bring the plan before voters; and prohibits the use of TIF on 100-year flood plains, certain agricultural lands, and undeveloped or vacant lands in some circumstances. Although TIF is a great way to spur urban renewal, restrictions are needed to ensure it benefits both developers and taxpayers.



Senator Loudon and Gibbons with a group of Tartan day enthusiasts.

In spite of a busy week debating legislation, my office was happy to have guests at the Capitol on Thursday for Tartan Day. Tartan Day, an American celebration of Scottish culture, is held in Missouri every April 6. As the sponsor of the original Tartan Day resolution, which passed in 2001, it was a pleasure to be joined in celebration by the Scottish St. Andrews Society of Greater St. Louis and the Thistle & Clover of St. Charles. In addition to the wonderful musicians and festive kilts, guests enjoyed traditional Scottish food and hospitality. This has become a tradition I look forward to every year. Thank you to all who participated.

If you have questions or comments about these issues or any other topic, please call my Capitol office at (573) 751-9763. Thank you for your support.

## **Quote of the Week**

“A pessimist is one who makes difficulties of his opportunities, and an optimist is one who makes opportunities of his difficulties.”

Harry S. Truman