Report from Senator David G. Klindt

April 14, 2006

Cracking down on Medicaid fraud

This week the Missouri Senate took a big step in the direction of cracking down on unscrupulous health care providers who have been bilking the taxpayers through Medicaid fraud. We passed SB 1210, from Senator Chris Koster of Harrisonville, which greatly enhances the penalties for stealing from the Medicaid program.

Under SB 1210, Medicaid fraud is a serious felony that requires convicted persons to serve at least 85% of any prison time before becoming eligible for parole. The bill also adds a so-called "death penalty," which is not quite as final as it sounds. But it does mean that a health care provider found guilty of Medicaid fraud is **forever** banned from participating in the program.

The bill also makes it a felony to obstruct or delay a Medicaid fraud investigation. And anyone can bring an action for Medicaid fraud by filing a claim with the attorney general. If the claim turns out to be valid, the whistle-blower will be rewarded. The bill also protects whistle-blowers from being fired, demoted, or harassed.

Cracking down on Medicaid fraud is an important part of our effort to keep the health care program for the poor from collapsing under its own weight. SB 1210 is now in the House.

We also passed SB 1041 from Senator Mike Gibbons of Kirkwood, which creates the crime of obtaining and selling personal health information. As our society becomes more and more dependent on technology, we have to remain vigilant against those who would abuse technology and violate privacy rights.

SB 912, which we passed to the House, uses technology to create a "virtual school." This bill, from Senator Jack Goodman of Mt. Vernon, requires the State School Board to set up a virtual school by July 1, 2007. In a virtual school, students take classes over the Internet instead of traveling to a traditional school building. This could be especially useful in rural areas.

The House has also received SB 953, a bill from Senator Kevin Engler of Farmington that rewrites the laws governing title insurance. For most folks, title insurance laws are as dry as dust. But when a title insurance agency goes belly up and people lose thousands of dollars in the process of trying to buy a home, the title insurance laws become all too real. SB 953 will help protect consumers.

Finally, I want to mention SB 951 from Senator John Cauthorn of Mexico. This bill, which we passed and is moving through the House, raps the knuckles of towns that set up speed traps. Back in 1995, the General Assembly passed a law saying that no city could get more than 45% of its annual budget from speeding tickets. That law was passed in reaction to Mack's Creek, in central Missouri, which was a notorious speed trap.

SB 951 cracks down even further, lowering the 45% threshold to 35%. This effort recognizes a simple truth that too many towns forget – police officers are supposed to protect us from the bad guys, not turn themselves into ATMs for city hall.

Kaul & Shird