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FLOOR DEBATE

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and a majority of the units are located within the Attorney General's Office. There will probably be questions about why we chose to place it in the Attorney General's Office as opposed to some other area, and the simple reality was that this appears to be what's working the best in most states. It appears to be a logical place to put them, and it would still require the cooperation of the Medicaid agency as far as investigation. But as far as any potential prosecution, that would have to come through an entity separate of the Medicaid agency. The Medicaid Fraud Control Unit would work with and receive referrals for investigation from that agency. Nationwide, the Medicaid Fraud Control Units have been responsible for 5,813 convictions and over \$1 billion in recoveries, just since 1997. Thirty-seven of forty-eight states that have units have become self-funding within three years from its inception. Part of the funding that we will receive, or part of the funding for the proposed unit, will come from the federal government. We have an agreement with the federal government that 90 percent of the cost of this unit will be paid for by the federal government for the first 18 months. After 18 months, the federal government will continue to pay a percent of the unit, but it will go from 90 percent to 75 percent. There is no appropriation necessary due to the fact that there will be state matching funds that will already be appropriated to cover the additional costs that this would incur to the agency of the Attorney General. LB 1084 does expand the false claims statute. It also increases the civil penalties from \$5,000, which is in current statute now, to a maximum of \$10,000. It also changes different provisions in regards to how much can be recovered in damages, depending upon the amount of the false claim. The other part of this bill it also does is it encourages people to come forward with fraud information. There were provisions in the original bill that would have allowed a private citizen to proceed with legal action and we have struck that provision, and that will also be discussed under the committee amendment. The Health Committee did hear this bill. The Health Committee did advance it without any opposition. After the committee hearing, there were many groups that came in with some technical concerns to the way that the bill would actually be implemented and potentially what could come out of certain investigations and how that may affect different entities as far as their ability to provide Medicaid