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 DATE PREPARED: February 16, 2009
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LB 172

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill creates the State Medicaid Fraud Control Unit Cash Fund in the Attorney General's Office. Revenue to the fund would be from recoveries received under the False Medicaid Claim Act. The fund would be used for the salaries and related expenses of the Department of Justice for the state's Medicaid Fraud Unit. On July 9, 2009, \$215,000 is required to be transferred from the Health and Human Services Cash Fund to the State Medicaid Fraud Control Unit Cash Fund.

When the bill creating the Medicaid Fraud Control Unit was passed in the 2004 session, it was the intent that recovery of attorney fees and costs relating to recovery of Medicaid fraud would be used for the state match for the Medicaid Fraud Control Unit. However, there was no mechanism for the Attorney General's Office to obtain the funding. The Attorney General did not receive any additional appropriations for the unit. This bill makes the technical changes needed for the Attorney General to use the recovered funds to pay for the costs of the Medicaid Fraud Control Unit. The one-time transfer of \$215,000 will be from a settlement expected to be received in June 2009.

Technical Note: Subsection (3) of Section 1 states that recovery amounts shall be remitted to the Health and Human Services Cash Fund except for amounts recovered for the state's costs and attorney fees that are to be remitted to the State Medicaid Fraud Control Unit Cash Fund. Section 3 states that the State Medicaid Fraud Control Unit Cash Fund shall consist of all recoveries pursuant to the False Medicaid Claims Act. These sections appear to be in conflict.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE	1/28/09	PHONE	471-2526
COMMENTS					
Concur with agency analysis for the State Treasurer.					