

Medicaid Fraud False Claims Act allows the state to pursue civil penalties for Medicaid provider fraud

In 2012, the Legislature passed the Medicaid Fraud False Claims Act (“the Act”, Chapter 74.66 RCW) to help the state combat Medicaid fraud. Medicaid is a federal-state program that funds health care for individuals with low incomes or disabilities.

The Act allows Washington’s Attorney General (AGO) to pursue civil penalties against Medicaid providers who file false claims or engage in other forms of fraud. Before the Act passed, the AGO could only investigate criminal cases of fraud.

The Act’s qui tam provisions allow private individuals and entities to file civil action on the state’s behalf

Private individuals and entities, known as qui tam relators (relators), may file a civil action on behalf of the state for false or fraudulent Medicaid activities. A relator must know of a provider’s fraudulent activities, hire an attorney, notify the AGO of the claim, and give the AGO supporting evidence.

The AGO can either intervene or decline involvement in a qui tam case. Either way, the relator will receive a portion of any financial recoveries.



Qui tam provisions will sunset in 2023

When the qui tam provisions first passed, stakeholders expressed concerns about the potential for frivolous lawsuits. [JLARC’s 2015 sunset review](#) of Washington’s Medicaid Fraud False Claims Act did not find evidence of this, though few qui tam cases had been filed at that time.

The 2016 Legislature extended the sunset date on the qui tam provisions to allow more time for oversight and review. The qui tam provisions will sunset on June 30, 2023, unless the Legislature reauthorizes them (RCW 43.131.419).

This study will address the following questions, consistent with the Sunset Act

1. Has the AGO implemented the qui tam provisions in a manner consistent with the law and legislative intent?
 - a. What factors does the AGO consider when deciding to intervene or decline in a case?
2. Has the AGO implemented the qui tam provisions in an efficient and economical manner, with adequate cost controls in place?
3. Have any qui tam claims been determined to be frivolous in Washington?
 - a. What are the characteristics of the determinations and the parties involved in any frivolous claims?
4. To what extent are the AGO’s qui tam activities duplicated by another entity or the private sector?
5. What are the possible effects of eliminating or changing the Act’s qui tam provisions, and is there any evidence that these effects could have disparate impacts on Medicaid clients?

In accordance with RCW 44.28.076, JLARC staff determined there are racial equity considerations for this study and they are included in the study questions above.

Study timeframe

Preliminary Report: September 2022 Proposed Final Report: November 2022

Study team

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JLARC Study Process

