



## GOVERNOR OF PUERTO RICO

### OFFICE OF THE GOVERNOR

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#### **Governor Rosselló signs measure to prevent Medicaid fraud and secure federal Health funds**

**(July 23, 2018 - La Fortaleza, San Juan)** Governor of Puerto Rico Ricardo Rosselló signed the House Bill 1627, which establishes the Fraudulent Claims to Programs, Contracts, and Services of the Government of Puerto Rico Act and creates a civil recovery mechanism in those cases where it is identified that there were false claims to the Government of Puerto Rico.

The law—which comes from the federal False Claims Act—states that claims will be handled by the Medicaid Fraud Control Unit at the Puerto Rico Department of Justice.

The creation of this office, together with the establishment of the Medicaid Management Information System (MMIS) ensures the allocation of \$1.2 billion in federal funds for the Island (BBA Disaster Relief Funds).

“With this law we join 49 states and Washington, DC as jurisdictions that have dedicated units to address fraud in the Medicaid health program. The timely detection of this behavior will be helpful for its beneficiaries as it ensures the availability and continuity of these funds,” said the chief executive.

With Executive Order 2017-12, the governor had channeled the public policy of addressing the problem of Medicaid fraud.

The governor added that “with this measure, we achieve the necessary requirements to be recipients of additional federal funds, by committing ourselves to supervise and prosecute those people who misuse Medicaid. This policy of zero tolerance against fraud is linked to the My Health Reform that will put the patients first, giving them the right to choose their health providers.”

“In February, together with Resident Commissioner Jenniffer González, we achieved in Congress a historic appropriation of \$4.9 billion for the over 600,000 beneficiaries of the Medicaid program. This allocation allows the My Health program to be fully funded for the next two years without requiring state funds that have been affected by the fiscal crisis and the emergency caused by the hurricanes last year,” stated Governor Rosselló.

Furthermore, the chief executive added that “from this amount in federal funds for health, \$1.2 billion are conditioned to taking affirmative steps, such as this measure that we sing into law today.”

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In April, the establishment of the first MMIS on the Island was announced, which represents a great achievement for the compliance of Puerto Rico with federal requirements. This measure had been required without success by the federal Government since 2009, but this Administration implemented it.

This new law allows and promotes whistleblowers to report any fraudulent act against the Government. By reporting a fraudulent act, the informer may collect the amount recovered by the Government. Because of this system, the federal Government has recovered \$31.9 million from 2009 to 2016.

Currently, 30 states have fraudulent claim laws. The execution and processing of these claims consistently result in the recovery of millions of dollars to the treasury. In coordination with the citizenship, the local Government may recover funds that would otherwise have been lost due to fraud.

The secretary of the Puerto Rico Department of Health, Rafael Rodríguez, welcomed the new law by stating that it “will allow the Government to continue to recover credibility at the federal level, to process more aggressively those who misuse these funds and ensure that the funds allocated are available to better meet the needs of *bona fide* beneficiaries.”

For her part, the secretary of the Puerto Rico Department of Justice, Wanda Vázquez, indicated that “the Department of Justice has already begun by creating the Medicaid Fraud Control Unit by administrative order. The eradication of fraud is a priority on the agenda of the governor and the Department, given that we are aware of the repercussions that this harmful behavior has on health services and, above all, on the Medicaid Program.”

Likewise, Vázquez added that “dealing with the loss of public funds assigned to our Island is of paramount importance to ensure the confidence of the Government of the United States in our Government agencies. A strong message is also sent to those who defraud and profit at the expense of the need of other people.”

Meanwhile, Chief Prosecutor Olga Castellón added that “with the signing of this law, the Department of Justice joins the practice of other states to specialize in the investigation and criminal prosecution of individuals or corporations that—moving away from their duty to provide a service of excellence to our population—opt to profit illegally from public funds, through fraud in the provision of medical services for whom they were destined.”

Castellón also commented that “the Government of Puerto Rico will not only have the legal mechanism to process these matters efficiently, but at the same



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time it will be able to exercise actions of recovery of the funds obtained illegally by these people”.

Meanwhile, the executive director of the Puerto Rico Health Insurance Administration (ASES, for its Spanish acronym), Ángela Ávila, said that "with this new law, together with the new My Health model and the expansion of systems such as MMIS, the prevention of abuse and the efficient use of resources allocated for the health care of 1.3 million beneficiaries is guaranteed."

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