

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1623

By: Representative M. Gray

By: Senator Flippo

For An Act To Be Entitled

AN ACT TO PROVIDE THE ATTORNEY GENERAL NOTICE AND THE OPPORTUNITY TO INTERVENE IN ALL QUI TAM LAWSUITS INVOLVING STATE FUNDS BROUGHT UNDER THE FEDERAL FALSE CLAIMS ACT; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE THE ATTORNEY GENERAL NOTICE AND THE OPPORTUNITY TO INTERVENE IN ALL QUI TAM LAWSUITS INVOLVING STATE FUNDS BROUGHT UNDER THE FEDERAL FALSE CLAIMS ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 20-77-911, concerning persons providing information regarding false Medicaid claims and rewards under the Medicaid Fraud False Claims Act, is amended to add an additional subsection to read as follows:

(g)(1) The General Assembly finds that:

(A) Medicaid is a joint federal and state program, with each claim normally involving both state and federal funds;

(B) The United States Congress has granted jurisdiction to federal district courts over any action brought under the laws of any state for the recovery of funds paid by a state or local government if the action arises from the same transaction or occurrence as an action brought under 31 U.S. Code § 3730;



(C) The General Assembly does not intend to grant a general right of action to private parties in state or federal court; and

(D) As federal law has granted federal courts with jurisdiction to hear claims involving state funds associated with the Arkansas Medicaid Program, the Attorney General shall be given notice and the opportunity to intervene or to otherwise protect the interest of this state.

(2)(A) Any party bringing a claim in federal court to recover state funds or pursuant to an assertion of a state claim under state law shall serve the Attorney General through the Medicaid Fraud Control Unit with any complaint, any other pleadings, and the written disclosure of all material evidence and information possessed by the person bringing the action.

(B) The complaint, pleadings, and disclosed information shall be filed under seal pursuant to federal law and shall remain under seal until the seal is lifted in accordance with federal law.

(3)(A) The Attorney General may investigate the claim and, if appropriate, intervene or otherwise litigate and pursue any claim brought in any litigation in federal court to recover state funds associated with claims paid by the Arkansas Medicaid Program in actions brought under the federal False Claims Act, 31 U.S. Code §§ 3729 et seq.

(B) The Attorney General may also seek related damages, civil penalties, and costs, and to litigate or settle said claims as permitted or required under state and federal law.

(4)(A) If the state is properly served and given notice as required in this subsection by a party bringing an action under the federal False Claims Act to recover state funds, the Attorney General may pay the reward authorized under federal law from collected penalties.

(B) However, under no circumstances may any reward be paid from the state funds owed to the Arkansas Medicaid Program.

APPROVED: 4/8/21