

Minnesota

Minnesota False Claims Laws

This is a supplement to The Evangelical Lutheran Good Samaritan Society's ("The Society") Employee Handbook for employees who work in Minnesota. As stated in our Employee Handbook, the federal False Claims Act and similar state laws assist the federal and state governments in combating fraud and recovering losses resulting from fraud in government programs, purchases and/or contracts. These laws are some of the most important laws that govern our business. Like the federal False Claims Act, Minnesota's false claims and fraud and abuse laws and regulations impose liability on persons or organizations that make false claims to the state. These Minnesota laws apply to Medicaid reimbursement and prohibit, among other things:

- With intent to defraud, presenting a false Medicaid claim for reimbursement;
- With intent to defraud, presenting a false Medicaid cost report or rate application;
- With intent to defraud, presenting a false claim or demand for audit, allowance or payment to a public officer or body;
- Committing fraud, theft or abuse in connection with the provision of care to public assistance recipients;
- Presenting Medicaid claims for services that are not medically necessary; and
- Making false statements of material facts to obtain greater compensation than otherwise entitled.

Administrative, Civil and Criminal Penalties for False Claims or Statements

Violations of these laws can result in conviction for an attempt to commit theft of public funds. A court may impose criminal penalties for such actions. The state may also impose sanctions for violations of these laws, including monetary recovery of Medicaid payments that were improperly paid, costs the state incurred in investigating the claims, withholding or reduction of Medicaid payments, and suspension or termination of participation in the Medicaid program.

Civil Lawsuits

Currently, unlike the Federal False Claims Act, Minnesota law appears to allow actions to recover monetary damages to be brought only by the state government and not by private citizens or employees. There is no provision for a private citizen to share a percentage of any monetary recoveries.

No Retaliation

Like federal law and Society policy, various Minnesota laws prohibit public employers and private employers from retaliating, discriminating or harassing employees because of their good faith disclosure of information about a violation of a law, or a violation that poses a risk to public or patient health, safety or welfare, their

participation in a public inquiry, or their refusal to assist employers in any activity that the employee reasonably believes is in violation of a law. These laws prohibit employers from discharging, disciplining, discriminating against, threatening, or penalizing any employee who, in good faith, reports an instance of wrongdoing. These laws allow an employee to bring a civil lawsuit to recover damages, costs (including reasonable attorney fees) and any other injunctive or equitable relief that the court awards.

Any employee who engages in or condones any form of retaliation against another employee because that employee either (1) reported a potential violation of The Society's Code of Ethics or regulatory violation, or (2) refused to violate The Society's Code of Ethics or a government law or regulation, will be subject to disciplinary action up to and including separation of employment. For additional guidance, please see the "Fair Treatment Policy" section of the Employee Handbook and section IV "Reporting Compliance Concerns" of The Society's Compliance Program Handbook.

Copies of Minnesota Laws

The Minnesota laws summarized above include: (1) false claims and fraud and abuse laws, Minn. Stat. §§ 609.465, 609.466, 256B.064, and 256B.0641; and (2) whistleblower protections, Minn. Stat. § 181.932. If you have questions about any of these requirements, you may contact The Society's Compliance Solutions Hotline at 1-800-631-6142.