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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3061

03/14/2016 Authored by Loeffler; Schultz; Halverson; Murphy, E.; Liebling and others  
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act  
1.2 relating to health care; cost containment; establishing the Office of Inspector  
1.3 General; appropriating money; proposing coding for new law in Minnesota  
1.4 Statutes, chapter 256.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[256.042] OFFICE OF INSPECTOR GENERAL.**

1.7 Subdivision 1. **Creation.** The Office of Inspector General is created as a division of  
1.8 the Department of Human Services.

1.9 Subd. 2. **Powers and duties; fraud.** (a) The inspector general shall be responsible  
1.10 for the duties of the Medicaid Agency Fraud Detection and Investigation Program  
1.11 pursuant to Code of Federal Regulations, title 42, part 455.

1.12 (b) The inspector general shall be responsible for investigating alleged or suspected  
1.13 financial misconduct by providers and errors related to payments issued by the child care  
1.14 assistance program under chapter 245E.

1.15 (c) The inspector general shall be responsible for the surveillance and integrity  
1.16 review program pursuant to Minnesota Rules, parts 9505.2160 to 9505.2245. The  
1.17 inspector general shall identify and investigate fraud, theft, abuse, or error by vendors or  
1.18 recipients of health services administered by the department, and impose sanctions against  
1.19 vendors and recipients of health services.

1.20 (d) The inspector general shall make a referral to the appropriate law enforcement  
1.21 agency when violations of law are suspected.

1.22 (e) The inspector general shall prioritize potential investigations based on the  
1.23 vulnerability of the persons served and the greatest amount of public funds at risk.

2.1            Subd. 3. **Minnesota restricted recipient program.** The inspector general shall be  
2.2 responsible for managing the Minnesota restricted recipient program.

2.3            Sec. 2. **APPROPRIATION.**

2.4            §..... in fiscal year 2017 is appropriated from the general fund to the commissioner  
2.5 of human services and must be spent to expand the capacity of the Office of Inspector  
2.6 General to investigate and prevent fraud and financial abuse in public health care programs.