

**205.8467 Liability of violators -- Payment of penalties to Medicaid trust fund.**

- (1) Any provider who has been found by a preponderance of the evidence in an administrative process, in conformity with any applicable federal regulations and with due process protections, to have knowingly submitted or caused claims to be submitted for payment for furnishing treatment, services, or goods under a medical assistance program provided under this chapter, which payment the provider was not entitled to receive by reason of a violation of this chapter, shall:
  - (a) Be liable for restitution of any payments received in violation of this chapter, and interest at the maximum legal rate pursuant to KRS 360.010 in effect on the date any payment was made, for the period from the date payment was made to the date of repayment to the Commonwealth;
  - (b) Be liable for a civil payment in an amount up to three (3) times the amount of excess payments;
  - (c) Be liable for payment of a civil payment of five hundred dollars (\$500) for each false or fraudulent claim submitted for providing treatment, services, or goods;
  - (d) Be liable for payment of legal fees and costs of investigation and enforcement of civil payments; and
  - (e) Be removed as a participating provider in the Medical Assistance Program for two (2) months to six (6) months for a first offense, for six (6) months to one (1) year for a second offense, and for one (1) year to five (5) years for a third offense.
- (2) Civil payments, interest, costs of investigation, and enforcement of the civil remedies recovered on behalf of the Commonwealth under this section shall be remitted to the State Treasurer for deposit in a Medicaid trust fund which is hereby created and shall not lapse. Funds deposited in the Medicaid trust fund shall not be spent until appropriated by the General Assembly for medical assistance services.
- (3) The remedies under this section are separate from and cumulative to any other administrative, civil, or criminal remedies available under federal or state law or regulation.
- (4) The Cabinet for Health and Family Services, in consultation with the Office of the Attorney General, may promulgate administrative regulations, pursuant to KRS Chapter 13A, for the administration of the civil payments contained in this section.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 99, sec. 281, effective June 20, 2005. -- Amended 1998 Ky. Acts ch. 426, sec. 228, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 96, sec. 9, effective July 15, 1994; and ch. 316, sec. 9, effective July 15, 1994.