

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
iga.in.gov

**FISCAL IMPACT STATEMENT**

**LS 6586**

**BILL NUMBER:** HB 1132

**NOTE PREPARED:** Jan 22, 2024

**BILL AMENDED:** Jan 22, 2024

**SUBJECT:** Investigators Employed by the Attorney General.

**FIRST AUTHOR:** Rep. McNamara

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that the Attorney General shall designate not more than four investigators employed within the state Medicaid Fraud Control Unit to be law enforcement officers of the state.

It provides that the Attorney General shall designate not more than two investigators employed within the Identity Fraud Unit to be law enforcement officers of the state.

It provides that the investigators shall have all the powers and duties of law enforcement officers in conducting investigations or in serving any process, notice, or order connected with the duties of the respective units, regardless of whatever officer, authority, or court issued the process, notice, or order.

It provides that the investigators are subject to certain confidentiality and disclosure requirements relating to criminal intelligence information and criminal history information.

It also makes conforming amendments.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** (Revised) The bill will increase the workload of the Office of the Attorney General (OAG) to ensure that the six investigators complete tier 1 basic law enforcement training. The OAG should be able to accomplish this task within existing resources.

Also, the Medicaid Fraud Control Unit (MFCU) and the Identity Theft Unit will have to temporarily adjust

the workload for investigators until training is completed. Currently, the MFCU has 13 attorneys, 33 investigators, 5 auditors/ analyst, and 3 support staff. The MFCU should be able to accommodate the short-term staffing changes.

**Explanation of State Revenues:** The state is entitled to a portion of errant benefit claims recovered.

*Additional Information* - The MFCU investigates cases involving Medicaid providers committing fraud. The MFCU also investigates cases of physical and/or financial abuse of adults in nursing homes and other long-term care facilities. The bill provides that the investigators shall have all the powers and duties of a law enforcement officer in conducting investigations, or in serving any process, notice, or order connected with the OAG Enforcement Department. As a result, this could potentially increase the number of investigations conducted and recoveries collected for the MFCU and the ID Theft Unit.

In FFY 2022, the OAG had a total of 43 Medicaid fraud convictions out of 948 investigations. The MFCU recovered over \$19.5 M. The federal share of the recoveries was 12.9 M and the state share was \$6.6 M. Combined state and federal expenditures for the MFCU was \$7.2 M. In FFY 2023, the MFCU recovered over \$64.2 M.

In CY 2022, the OAG recovered over \$40.9 M in consumer litigation, settlements, homeowner protection, ID theft recoveries, solicitation, and real estate fees.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:**

**Information Sources:** IC 4-6-10; Indiana General Assembly, Interim Study Committee on Medicaid Oversight Committee, Attorney General Medicaid Fraud Presentation (November 15, 2023) <https://iga.in.gov/2023/committees/interim/medicaid-oversight-committee>; Office of the Attorney General, 2022 Annual Report, <https://www.in.gov/attorneygeneral/consumer-protection-division/id-theft-prevention/>; US Department of Health & Human Services, Office of Inspector General, Medicaid Fraud Control Units, <https://oig.hhs.gov/fraud/medicaid-fraud-control-units-mfcu/>.

**Fiscal Analyst:** Corrin Harvey, 317-234-9438.