

112TH CONGRESS
1ST SESSION

H. R. 173

To amend titles XI and XVIII of the Social Security Act to provide increased civil and criminal penalties for acts involving fraud and abuse under the Medicare Program and to increase the amount of the surety bond required for suppliers of durable medical equipment.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 2011

Mr. STEARNS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend titles XI and XVIII of the Social Security Act to provide increased civil and criminal penalties for acts involving fraud and abuse under the Medicare Program and to increase the amount of the surety bond required for suppliers of durable medical equipment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare Fraud Pre-
5 vention Act of 2011”.

1 **SEC. 2. INCREASED CIVIL MONEY PENALTIES AND CRIMI-**
2 **NAL FINES FOR MEDICARE FRAUD AND**
3 **ABUSE.**

4 (a) INCREASED CIVIL MONEY PENALTIES.—Section
5 1128A of the Social Security Act (42 U.S.C. 1320a–7a)
6 is amended—

7 (1) in subsection (a), in the flush matter fol-
8 lowing paragraph (10)—

9 (A) by striking “\$10,000” each place it
10 appears and inserting “\$20,000”;

11 (B) by striking “\$15,000” and inserting
12 “\$30,000”; and

13 (C) by striking “\$50,000” each place it ap-
14 pears and inserting “\$100,000”; and **[***Brack-*
15 *eted addition made to account for amendments*
16 *made by PPPACA PL111–148. Please review to*
17 *be sure that addition reflects policy intent.***]**

18 (2) in subsection (b)—

19 (A) in paragraph (1), in the flush matter
20 following subparagraph (B), by striking
21 “\$2,000” and inserting “\$4,000”;

22 (B) in paragraph (2), by striking “\$2,000”
23 and inserting “\$4,000”; and

24 (C) in paragraph (3)(A)(i), by striking
25 “\$5,000” and inserting “\$10,000”.

1 (b) INCREASED CRIMINAL FINES.—Section 1128B of
2 the Social Security Act (42 U.S.C. 1320a–7b) is amend-
3 ed—

4 (1) in subsection (a), in the flush matter fol-
5 lowing paragraph (6)—

6 (A) by striking “\$25,000” and inserting
7 “\$100,000”; and

8 (B) by striking “\$10,000” and inserting
9 “\$20,000”;

10 (2) in subsection (b)—

11 (A) in paragraph (1), in the flush matter
12 following subparagraph (B), by striking
13 “\$25,000” and inserting “\$100,000”; and

14 (B) in paragraph (2), in the flush matter
15 following subparagraph (B), by striking
16 “\$25,000” and inserting “\$100,000”;

17 (3) in subsection (c), by striking “\$25,000” and
18 inserting “\$100,000”;

19 (4) in subsection (d), in the second flush matter
20 following subparagraph (B), by striking “\$25,000”
21 and inserting “\$100,000”; and

22 (5) in subsection (e), by striking “\$2,000” and
23 inserting “\$4,000”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to civil money penalties and fines

1 imposed for actions taken on or after the date of enact-
2 ment of this Act.

3 **SEC. 3. INCREASED SENTENCES FOR FELONIES INVOLVING**
4 **MEDICARE FRAUD AND ABUSE.**

5 (a) FALSE STATEMENTS AND REPRESENTATIONS.—
6 Section 1128B(a) of the Social Security Act (42 U.S.C.
7 1320a–7b(a)) is amended, in clause (i) of the flush matter
8 following paragraph (6), by striking “not more than five
9 years” and inserting “not more than 10 years”.

10 (b) ANTI-KICKBACK.—Section 1128B(b) of the So-
11 cial Security Act (42 U.S.C. 1320a–7b(b)) is amended—

12 (1) in paragraph (1), in the flush matter fol-
13 lowing subparagraph (B), by striking “not more
14 than five years” and inserting “not more than 10
15 years”; and

16 (2) in paragraph (2), in the flush matter fol-
17 lowing subparagraph (B), by striking “not more
18 than five years” and inserting “not more than 10
19 years”.

20 (c) FALSE STATEMENT OR REPRESENTATION WITH
21 RESPECT TO CONDITIONS OR OPERATIONS OF FACILI-
22 TIES.—Section 1128B(c) of the Social Security Act (42
23 U.S.C. 1320a–7b(c)) is amended by striking “not more
24 than five years” and inserting “not more than 10 years”.

1 (d) EXCESS CHARGES.—Section 1128B(d) of the So-
2 cial Security Act (42 U.S.C. 1320a–7b(d)) is amended, in
3 the second flush matter following subparagraph (B), by
4 striking “not more than five years” and inserting “not
5 more than 10 years”.

6 (e) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to criminal penalties imposed for
8 actions taken on or after the date of enactment of this
9 Act.

10 **SEC. 4. INCREASED SURETY BOND REQUIREMENT FOR SUP-**
11 **PLIERS OF DME.**

12 (a) IN GENERAL.—Section 1834(a)(16)(B) of the So-
13 cial Security Act (42 U.S.C. 1395m(a)(16)(B)) is amend-
14 ed by striking “\$50,000” and inserting “\$500,000”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to the issuance (or renewal) of a
17 provider number for a supplier of durable medical equip-
18 ment on or after the date of enactment of this Act.

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