

110TH CONGRESS
2D SESSION

S. 2603

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 SENATE OF THE UNITED STATES

FEBRUARY 7 (legislative day, FEBRUARY 6), 2008

Mr. MARTINEZ (for himself, Mr. CORNYN, Mr. COLEMAN, Mr. ALEXANDER, Mr. VITTER, and Mr. DEMINT) introduced the following bill; which was read twice and referred to the Committee on Finance

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 2008”.

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 (7)—

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” and inserting
 14 “\$100,000”; and

15 (2) in subsection (b)—

16 (A) in paragraph (1), in the flush matter
 17 following subparagraph (B), by striking
 18 “\$2,000” and inserting “\$4,000”;

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

21 (C) in paragraph (3)(A)(i), by striking
 22 “\$5,000” and inserting “\$10,000”.

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

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

3 (A) by striking “\$25,000” and inserting
 4 “\$100,000”; and

5 (B) by striking “\$10,000” and inserting
 6 “\$20,000”;

7 (2) in subsection (b)—

8 (A) in paragraph (1), in the flush matter
 9 following subparagraph (B), by striking
 10 “\$25,000” and inserting “\$100,000”; and

11 (B) in paragraph (2), in the flush matter
 12 following subparagraph (B), by striking
 13 “\$25,000” and inserting “\$100,000”;

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

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

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

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to civil money penalties and fines
 23 imposed for actions taken on or after the date of enact-
 24 ment of this Act.

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

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

8 (b) ANTI-KICKBACK.—Section 1128B(b) of the So-
9 cial Security Act (42 U.S.C. 1320a–7b(b)) is amended—
10 (1) in paragraph (1), in the flush matter fol-
11 lowing subparagraph (B), by striking “not more
12 than 5 years” and inserting “not more than 10
13 years”; and

14 (2) in paragraph (2), in the flush matter fol-
15 lowing subparagraph (B), by striking “not more
16 than 5 years” and inserting “not more than 10
17 years”.

18 (c) FALSE STATEMENT OR REPRESENTATION WITH
19 RESPECT TO CONDITIONS OR OPERATIONS OF FACILI-
20 TIES.—Section 1128B(c) of the Social Security Act (42
21 U.S.C. 1320a–7b(c)) is amended by striking “not more
22 than 5 years” and inserting “not more than 10 years”.

23 (d) EXCESS CHARGES.—Section 1128B(d) of the So-
24 cial Security Act (42 U.S.C. 1320a–7b(d)) is amended, in
25 the second flush matter following subparagraph (B), by

1 striking “not more than 5 years” and inserting “not more
2 than 10 years”.

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

7 **SEC. 4. INCREASED SURETY BOND REQUIREMENT FOR SUP-**
8 **PLIERS OF DME.**

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

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

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