

## MEMORANDUM

**TO:** Andrew Fois  
**FROM:** Daniel A. Cunningham  
**RE:** Health Care Fraud: Outline of Draft Schumer Health Care Fraud Bill  
**DATE:** May 19, 1993

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This memorandum briefly outlines the Schumer draft bill on health care fraud currently under preparation. The memo highlights the principal provisions of the bill. As this is a draft, changes to certain provisions can be anticipated when the draft is evaluated by the experts we have asked to review it.

This bill is a compilation of measures recommended by both law enforcement and health insurance industry experts. Four of the provisions contained in the draft are the top recommendations of the Department of Justice ("DOJ") and other experts as the most important steps that could be taken to attack criminal health care fraud.

### Section 1. Short Title.

The bill is entitled the "Health Care Fraud Prosecution Act of 1993."

### Section 2. Increased Penalties for Health Care Fraud.

#### (a) Health Care Fraud Statute.

The bill will establish a new felony under title 18, providing that any person who commits fraud to obtain a "health care benefit" (defined below), or any person who presents a false claim for payment of a health care benefit, shall be punished by a fine and up to ten years imprisonment. The bill also provides for aggravated offenses. If the defendant knowingly or recklessly causes serious bodily injury or endangers the life of a person, the defendant may be punished by imprisonment for up to 25 years. If the defendant knowingly or recklessly causes death, the defendant may be imprisoned for life.

The provision punishing persons who present false claims would be a significant boost to law enforcement. Proving fraud in health care cases is extremely difficult and requires enormous resources to be expended for the prosecution of a single case. This provision would allow health care fraud

cases to be brought without forcing the government to prove fraud, dramatically streamlining prosecution.

**(b) Kickbacks.**

Law enforcement officials and health insurance experts have suggested that this one provision is the single most important health care fraud law that could be enacted. The bill will establish a new felony under title 18, providing that any person who pays or receives a kickback for referring a patient or for furnishing a health care service, for which payment is to be made by an "insurer" (defined below), without so informing the insurer, shall be punished by a fine and imprisonment for up to five years.

**(c) Civil Action.**

The bill allows private parties who have been injured (to their person or property) as a result of conduct that is a criminal violation (of either the new health care fraud statute or the new anti-kickback statute) to bring a private cause of action against the perpetrator. This provision provides for treble damages, costs and attorney fees. This would unleash tremendous resources in tracking-down and forcing violators to pay for the fraud they commit.

**(d) Definitions.**

(i) The term "health care benefit" is defined under the bill to mean a payment for health care services or health care products, or the right to have a payment made by an insurer for specified health care services or products.

(ii) The term "insurer" is defined under the bill to mean any person, public or private, who undertakes to indemnify another against loss arising from a contingent or unknown event.

**Section 3. Injunctions Against Health Care Fraud.**

The bill provides the DOJ with specific power to seek Federal court injunctions to halt or prevent health care fraud under 18 U.S.C. § 1345.

**Section 4. Criminal Forfeiture of Fraud Proceeds.**

The bill amends 18 U.S.C. § 982(a) to provide for criminal forfeiture of property derived from violations of the new health care fraud and kickback felonies created under the bill.

Section 5. Rewards for Information Leading to Prosecution and Conviction.

The bill grants authority to the Attorney General to provide significant awards to persons who provide information or services that lead to a conviction for health care fraud. Under the bill, the Attorney General could grant such persons, in a case where the United States was a victim of health care fraud, a percentage of any civil recovery or restitution obtained by the United States, or up to \$100,000 in any other case.

Section 6. Health Care Fraud Task Forces.

The bill will establish intergovernmental law enforcement task forces on health care fraud. These task forces will be loosely modeled upon the Organized Crime Drug Enforcement Task Forces and will be coordinated by DOJ. The FBI has strongly indicated that task forces are the best method law enforcement can use to pool resources and attack these cases.

Section 7. National Health Care Fraud and Abuse Data Base.

The bill would direct the DOJ to establish a national data base to allow reporting by all Federal, state and local governments and by private insurers of all final adverse actions related to fraud or abuse against all health care practitioners and other health care entities (i.e. medical supply and service companies, hospitals, laboratories and diagnostic testers). Adverse actions would include criminal convictions, exclusions from participation in Federal health programs, civil money penalties, and final actions by private insurers (exclusions or recoupment related to fraud and abuse).

Section 8. National Health Care Fraud and Abuse Hotline.

The bill will direct the DOJ to establish a 1-800 National Health Care Fraud and Abuse Hotline to enable citizens to report any suspicious health care billing or collection activity. Unlike the hotline operated by the Department of Health and Human Services ("HHS"), this hotline will not be specifically limited to fraud committed against government programs, but would also be available for reporting fraud committed against private insurers or against consumers directly.

Section 9. Authorization of Appropriations.

The bill authorizes for appropriation:

- (a) \$23 million for the FBI to hire and train no fewer than 225 special agents and support staff to investigate health care fraud;

(b) \$5 million to hire and train no fewer than 50 Assistant U.S. Attorneys and support staff to prosecute health care fraud cases;

(c) \$3 million to hire and train no fewer than 25 investigators for the Office of the Inspector General at HHS to be devoted exclusively to health care fraud cases;

(d) funds for establishing the Health Care Fraud Task Forces (specific amount to be determined);

(e) funds for establishing the National Health Care Fraud and Abuse Data Base (specific amount to be determined); and

(f) funds for establishing the National Health Care Fraud and Abuse Hotline (specific amount to be determined).

#### Section 10. Express Company Fraud.

The bill creates a new felony under title 18 for fraud committed by use of private commercial interstate carriers (such as Federal Express). Currently, many health care fraud cases are prosecuted under the criminal mail fraud statute. However, that provision only applies to fraud committed by use of the U.S. Postal Service. Health care fraud thieves (and other criminals) are increasingly utilizing private commercial interstate carriers to avoid prosecution under the current law. The bill will close this loophole by creating a new statute applying to such commercial interstate carriers. Both the U.S. Postal Service and the commercial carriers have indicated that creation of a separate statute would be more satisfactory than simply adding the carriers to the current mail fraud statute.

## Stark Has Concerns With Clinton Healthcare Plan Outline

White House officials Wednesday gave House Ways and Means Health Subcommittee Democrats a first peak at an outline of the administration's healthcare plan, but **Health Subcommittee Chairman Pete Stark, D-Calif.**, said he had several concerns — one of which was that members were prohibited from leaving with the 10-page document.

After reviewing the document at the White House meeting, Stark told *CongressDaily* he was particularly concerned that, on average, people would be forced to pay more for fewer healthcare benefits and that there would be "nothing to protect the low income" to make sure they have access to health plans.

Stark said one option under serious review would require employers to pay a 7-8 percent premium or payroll tax and employees would have to make up an additional 1.9 percent.

"That's not an insignificant amount," Stark said, adding that First Lady Hillary Rodham Clinton told the group that employers could pick up the employee share.

Regarding low-income people, Stark said he is concerned that there was no provision to deal with a possible situation where healthcare alliances may not be able to attract participating plans. He said Washington, D.C., is an example where insurance companies may not bid if they would be required to provide coverage to too much of the poor or Medicare population.

Stark said the White House officials had not settled on finance mechanisms, but that they continued to talk about voluntary price controls as a leading option. He said the problem is that the White House only would implement the voluntary controls for a limited duration, until the cost containment effects of managed competition kicked in.

"They're talking about three, four, five years until they're operational,"

Stark said, adding he is skeptical that managed competition in and of itself would produce cost savings.

"I see a lot of problems," he said, adding the White House is "trying to overcome [problems] with public relations and political campaigns."

Stark said **House Majority Whip Bonior** is now establishing a whip organization in the House for the healthcare effort.

## Dingell, O'Leary Knock SSC Management

The construction and management practices of the superconducting super collider came under harsh criticism

**TECHNOLOGY** Wednesday from **House Energy and Commerce Chairman Dingell** and Energy Secretary O'Leary.

The target of their criticism — made during an Energy and Commerce Oversight and Investigations Subcommittee hearing — was the Universities Research Association, a conglomerate of universities hired as the prime contractor for construction and technology development of the atom smasher.

O'Leary said she has ordered a 30-day review of contract options to determine what possibilities the department has for corrective action. She said she expects one of three options to be involved: termination of the association's contract; renegotiation of the contract with increased DOE implementation — something the current contract

appears not to allow; or division of the current contract into separate construction and technology contracts.

Dingell, described the SSC as "among the worst projects we have seen in terms of contract management and failed government oversight." He pointed to a recently released audit by the Energy Department inspector general that found "lavish spending of taxpayer money on luxuries and entertainment." O'Leary testified that because of the importance of the SSC, "It has been managed very gently — and that means inappropriately."

At the end of the day-long hearing, Universities Research Association President John Toll told the panel, "It's the policy of our board and my office to encourage these investigations in every way we can."

He said using the association to manage the SSC "is one of the best bargains the federal government has."

## President's Pollster Offers Pointers On Independence

Stanley Greenberg, President Clinton's pollster, Wednesday acknowledged the benefits for members of Congress of opposing Clinton's programs, but also warned that staking out independence is not always a sure-fire strategy.

**POLITICS** "Simply being against the president's programs is a bad strategy," Greenberg contended after an address sponsored by the Center for National Policy.

For example, he noted that ex-**Sen. Bob Krueger, D-Texas**, had little luck in his race against **Sen. Kay Bailey**

**Hutchison, R-Texas**, although he had opposed Clinton's economic package.

In contrast, **Sen. David Boren, D-Okla.**, opposed the president — most notably on the Btu tax provision — but provided an alternative in the process.

"He had a philosophy of his own and he ultimately voted for something," Greenberg said. "People respect independent streaks, but they also want to get something for it."

Greenberg suggested that congressional Democrats facing tough races in 1994 must achieve a delicate balance

between outright defiance, constituents' concerns and what might be called "the Krueger example" — or a candidate who simply runs away from the president, but offers little in the way of an alternative program.

**Sen. Frank Lautenberg, D-N.J.**; is facing a potentially tough re-election fight in 1994, and voted against the reconciliation package, citing problems with the taxes in the package, for example. "Lautenberg may be closer to the Krueger model," Greenberg contended.

## HILL BRIEFS

- A tentative deal has been struck in the negotiations between House Transportation Appropriations Subcommittee and House Public Works Committee members in the dispute over projects and language in the funding bill. **Transportation Appropriations Subcommittee Chairman Bob Carr**, D-Mich., said Wednesday. "I think we have an agreement; I hope we have an agreement," Carr said. "There may be detail that may have to be redone." Carr would neither confirm nor deny reports that the deal involved authorizers accepting more than \$300 million in unauthorized highway projects contained in the spending bill. But he did confirm that further House debate on the spending bill would be delayed until July 19. An Appropriations aide said authorizers will bring their bill to the floor before debate resumes on the funding bill.
- The Senate Judiciary Committee will mark up the balanced budget constitutional amendment this morning. "It'll be reported out by a strong margin," a spokesman for **Sen. Paul Simon**, D-Ill., the amendment's prime sponsor, contended Wednesday. Simon has been promised a floor vote on the controversial measure later this year, the spokesman said.
- The Senate Wednesday by voice vote approved the controversial nomination of former Wilderness Society President George Frampton to a top Interior Department post, following a round of floor speeches by opponents. An aide said the holds on the nomination were removed after a time agreement was reached to give opponents a chance to discuss the nomination on the floor. Frampton's nomination to become assistant secretary for fish, wildlife and parks was held up by several Western members of the Energy and Natural Resources Committee, amidst allegations that Frampton had exceeded his authority while serving as a "consultant" at Interior.
- **Rep. Peter DeFazio**, D-Ore., Wednesday unveiled the "Federal Facilities Clean Water Compliance Act," which is intended to strengthen enforcement authority over nuclear dumping at all major military and Energy Department installations. According to a statement, the bill addresses "the Supreme Court's ambivalence to applying the Clean Water Act to radioactive materials; the inability of states to assess civil penalties against the federal government for waste dumping; and the EPA's inability to reprimand or penalize other federal agencies for violating the Clean Water Act."
- The Northeast-Midwest Congressional Coalition Wednesday announced the introduction of a series of Great Lakes-related amendments to the Clean Water Act. **Sens. Howard Metzenbaum and John Glenn**, both D-Ohio, **Carl Levin**, D-Mich., **Herb Kohl** and **Russell Feingold**, both D-Wis., and **Carol Moseley-Braun**, D-Ill., introduced an amendment package that would give the EPA authority over sediment dredging and disposal, provide grant money to states for sediment reduction plans and reauthorize the Assessment and Remediation of Contaminated Sediments program, according to a coalition statement. The bill also provides incentives to industry to install pollution prevention technologies, directs the EPA to develop five lake-wide management plans to improve water quality and calls for the establishment of a Great Lakes Water Council.
- The planned June wedding of freshman **Sen. Carol Moseley-Braun**, D-Ill., has been postponed because of the "press of Senate business" and international business travel by her fiancé, Kgosie Matthews, Moseley-Braun's office said Tuesday. Moseley-Braun had disclosed in April that she would marry Matthews, her 1992 campaign manager, in June. Matthews is now vice chairman for national affairs of the Washington-based Strategic Consulting Group. Moseley-Braun's office said that, because she "desires a private religious ceremony, the date for the wedding will not be announced in advance." A spokeswoman told the *Chicago Sun-Times* no new date has been set. Asked whether the wedding eventually would take place, the spokeswoman replied, "Absolutely."
- Country music star Mary-Chapin Carpenter Wednesday told a Capitol Hill news conference that she will use her upcoming summer tour, starting Saturday in Atlanta, to promote a new Wilderness Society program linking health and environmental issues. Carpenter said she will plug the new Women Health Environment Network at her concerts and that a Wilderness Society representative will be available at the shows to answer questions and pass out literature. She said it is the first time she has embraced a cause on any of her tours. **Rep. Karen Shepherd**, D-Utah, who attended the news conference, said the congressional Women's Health Caucus changed its name Tuesday to the Women's Health and Environment Caucus in connection with the effort.
- Correction: *CongressDaily/A.M.* Wednesday reported that the Brookings Institution, the Center for Strategic and International Studies and the Fraser Institute in Canada sponsored a study that disputed pro-North American Free Trade Agreement claims. However, those organizations did not sponsor the study — only the conference at which it was presented. Conference speakers presented views on both sides of the issue.

## Lawmaker splits with Clinton on health care plan

By Larry Lipman  
Jax News Service

WASHINGTON — Rep. Pete Stark, a leading health reform proponent, blasted the Clinton administration's anticipated plan Wednesday and said he would introduce legislation today to offer Medicare to all Americans.

Stark, D-Calif., who chairs the Ways and Means subcommittee on health, said the "political reality" was that Congress would not raise \$50 billion to provide coverage for the uninsured and under-insured and then turn that money over to either state governments or appointed health boards.

"That is not going to happen," Stark told a breakfast meeting of the National Health Council, an umbrella association of health organizations.

While the Clinton administration's final proposal on health care reform is not expected to be unveiled until this fall, the task force headed by Hillary Rodham Clinton has embraced several principles.

The plan is likely to be built around health "alliances" of businesses, individuals and government agencies that buy health coverage from conglomerates of doctors and hospitals. It is anticipated that many of the largest "managed care" systems would be run by major health insurance companies.

Stark said insurance companies were "salivating ... at the prospect of getting their hands into the \$950 billion" health industry.

Allowing "these sharks in the private insurance companies" to run the program would result in a "two-tiered system," in which the wealthy and the poor would receive different levels of health care, Stark said.

Stark said there was widespread support in Congress for the Medicare system for the elderly, and that Medicare could be expanded to provide maternity coverage and limited prescription coverage.

"If it's good for somebody that's 65, make the case for me that it's bad for someone who is 64," Stark said.

"It is seamless, it does offer choice (of doctors) ... there is no other system that offers that kind

'If it's (Medicare) good for somebody that's 65, make the case for me that it's bad for someone who is 64.'

Rep. Pete Stark

of choice and has cost containment. It's an American system."

Medicare "is not generous" because it requires 20 percent co-payments for most members, he said.

Stark noted that the growth in Medicare costs last year was less than the growth in non-Medicare health costs. Further, he said Medicare spends 98 percent of its revenue on benefits while leading insurance companies spend less than 84 percent of their revenue on benefits.

Under Stark's proposal, all Americans would be enrolled in the Medicare program except in states that choose to drop out of the program and offer coverage to all residents through another system.

To finance his plan, employers would pay about 60 cents per hour more in payroll taxes for each employee. Workers would pay an additional 15 cents an hour. Premiums for physician services would be set on a sliding scale.

Stark also would raise about \$90 billion through a 10 percent gross receipts tax on all health care providers.

The Stark plan would set a national budget for health care spending that would be enforced by adjusting the Medicare rates.

Richard Coorsh, spokesman for the Health Insurance Association of America, said insurers believe the best way to reform the health care system is to build on the strengths of the current system.

"He envisions a single-payer, Canadian-style system," Coorsh said. "It's our contention that this approach would not be a very good deal for the consumer because it would drive up the cost of health care and inevitably would create rationing, much as they have in Canada."

[17 MAY 1993]

103D CONGRESS  
1ST SESSION

# H. R. \_\_\_\_\_

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## IN THE HOUSE OF REPRESENTATIVES

Mr. SCHUMER introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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### A BILL

To amend title 18, United States Code, with respect to  
health care fraud, and for other purposes.

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 "Health Care Fraud  
5 Prosecution Act of 1993".

6 **SEC. 2. INCREASED PENALTIES FOR HEALTH CARE FRAUD.**

7 (a) OFFENSE.—Part I of title 18, United States  
8 Code, is amended by inserting after chapter 50A the fol-  
9 lowing:



1       **“CHAPTER 50B—HEALTH CARE FRAUD**

“Sec.

“1101. Health care fraud.

“1102. Illegal remunerations.

“1103. Civil Action.

“1104. Definitions.

2       **“§ 1101. Health care fraud**

3       “(a) IN GENERAL.—Whoever, in or affecting inter-  
4 state commerce, knowingly—

5               “(1) executes, or attempts to execute, a scheme  
6 or artifice to defraud to obtain a health care benefit;  
7 or

8               “(2) presents to any person any written or oral  
9 statement as part of, or in support of, a claim for  
10 a health care benefit, knowing that such statement  
11 contains any false, or misleading information con-  
12 cerning any fact or thing material to such claim;

13 shall be fined under this title or imprisoned not more than  
14 10 years, or both.

15       “(b) AGGRAVATED OFFENSES.—In an offense under  
16 subsection (a) of this section—

17               “(1) if the offender knowingly or recklessly  
18 causes serious bodily injury to an individual or  
19 knowingly or recklessly endangers the life of a  
20 person, the offender shall be fined under this  
21 title or imprisoned for not more than 25 years,  
22 or both; and

1           “(2) if the offender knowingly or recklessly  
2           causes the death of an individual, the offender  
3           shall be fined under this title or imprisoned for  
4           life or any term of years, or both

5   **“§ 1102. Illegal remunerations**

6           “Whoever, in or affecting interstate commerce, know-  
7           ingly solicits, receives, offers, or provides anything of  
8           value—

9           “(1) for the referral of an individual to a per-  
10          son for the furnishing of any item or service for  
11          which a health care benefit may be paid by an in-  
12          surer;

13          “(2) for recommending, or arranging for, the  
14          furnishing of any item or service for which a health  
15          care benefit may be paid by an insurer; or

16          “(3) which in effect reduces the cost of an item  
17          or service for which a health care benefit may be  
18          paid by an insurer, and then seeks that benefit from  
19          the insurer;

20          without informing the insurer fully about having done so  
21          and the amount of the thing of value, shall be fined under  
22          this title or imprisoned not more than 5 years, or both.

23   **“§ 1103. Civil action**

24          Any person injured in business or property by a vio-  
25          lation of this chapter may in a civil action recover treble

1 damages. The court may award the prevailing party a rea-  
2 sonable attorney's fee as a part of the costs.

3 **“§ 1104. Definitions**

4 “As used in this chapter—

5 “(1) the term ‘health care benefit’ means a pay-  
6 ment for health care services or health care prod-  
7 ucts, or the right to have a payment made by an in-  
8 surer for specified health care services or products;  
9 and

10 “(2) the term ‘insurer’ means any person, pub-  
11 lic or private, who undertakes to indemnify another  
12 against loss arising from a contingent or unknown  
13 event.”

14 (b) CLERICAL AMENDMENT.—The table of chapters  
15 at the beginning of part I of title 18, United States Code,  
16 is amended by inserting after the item relating to chapter  
17 50A the following new item:

“50B. Health care fraud 1101.”.

18 **SEC. 3. INJUNCTIONS FOR HEALTH CARE FRAUD.**

19 Section 1345(a) of title 18, United States Code, is  
20 amended—

21 (1) in paragraph (1)(A), by striking “or 1001”  
22 and inserting “1001, 1101, or 1102”; and

23 (2) in paragraph (a)(2), by inserting “a vio-  
24 lation of section 1101 or 1102 of this title or” after  
25 “as a result of”.

1 **SEC. 4. CRIMINAL FORFEITURE OF FRAUD PROCEEDS.**

2 Section 982(a) of title 18, United States Code, is  
3 amended by adding at the end the following new para-  
4 graph:

5 “(5) The court, in imposing sentence on a person con-  
6 victed of an offense under section 1101 or 1102 of this  
7 title, shall order that the offender forfeit to the United  
8 States any real or personal property constituting or de-  
9 rived from proceeds that the offender obtained directly or  
10 indirectly as the result of the offense.”

11 **SEC. 5. REWARDS FOR INFORMATION LEADING TO PROS-  
12 ECUTION AND CONVICTION.**

13 Section 3059 of title 18, United States Code, is  
14 amended by adding at the end the following:

15 “(c)(1) The Attorney General may pay a reward of—

16 “(A) an amount determined under paragraph  
17 (2) of this subsection, in the case of an offense in  
18 which the United States is a victim and restitution  
19 or a civil recovery is obtained by the United States;  
20 or

21 “(B) not more than \$100,000, in any other  
22 case;

23 to any person who furnishes information or services that  
24 lead to a conviction under section 1101 or 1102 of this  
25 title.

1       “(2) The amount referred to in paragraph (1)(A) of  
2 this subsection is an amount equal to—

3           “(A) not more than 30 percent of the first  
4 \$1,000,000 of the recovery;

5           “(B) not more than 20 percent of the next  
6 \$4,000,000; and

7           “(C) not more than 5 percent of the remaining  
8 portion of the recovery.

9       “(3) An officer or employee of the United States or  
10 of a State or local government who furnishes information  
11 or renders services in the performance of official duty is  
12 ineligible for a payment under this subsection with respect  
13 to such information or services.”.

14 **SEC. 6. HEALTH CARE FRAUD TASK FORCES.**

15       (a) **IN GENERAL.**—The Attorney General shall estab-  
16 lish regional health care fraud task forces (hereinafter in  
17 this section referred to as “task forces”).

18       (b) **PURPOSE.**—The purpose of the task forces is to  
19 ensure that adequate resources are made available to iden-  
20 tify, investigate, and prosecute health care fraud and to  
21 recover the proceeds of such fraud and other criminal ac-  
22 tivity against health insurers.

23       (c) **DUTIES.**—Each such task force shall coordinate  
24 the investigative and prosecutorial efforts within their pur-  
25 view.

1 (d) PARTICIPANTS.—The Federal agencies that shall  
2 participate in the task forces are—

3 (1) the Department of Justice (including the  
4 Federal Bureau of Investigation);

5 (2) the Department of Health and Human  
6 Services [IG?];

7 (3) the Internal Revenue Service;

8 (4) the United States Postal Inspection Service;

9 and

10 (5) the Veteran's Administration.

11 (e) LOCATIONS.—The task forces shall be established  
12 in New York City, Philadelphia, Miami, Houston, Kansas  
13 City, Chicago, Los Angeles, San Francisco, and any other  
14 city the Attorney General deems appropriate.

15 (f) OBJECTIVES.—The objective of each task force  
16 shall be—

17 (1) to target, investigate and prosecute individ-  
18 uals who organize, direct, finance, or are otherwise  
19 engaged in health care fraud;

20 (2) to promote a coordinated health care fraud  
21 enforcement effort in each task force region, and to  
22 encourage maximum cooperation among all Federal  
23 agencies;

24 (3) to work fully and effectively with State and  
25 local law enforcement agencies; and

1           (4) to make full use of financial investigative  
2 techniques, on behalf of both public and private enti-  
3 ties, to maximize recovery of proceeds of unlawful  
4 activities from persons who have committed health  
5 care fraud crimes or have engaged in other criminal  
6 activity in or against the health insurance industry.

7           (g) STANDARDS FOR TASK FORCE CASES.—Each  
8 task force should focus upon significant investigations of  
9 major health care fraud cases, or organizations engaging  
10 in health care fraud, that warrant the involvement of more  
11 than one investigative agency or that require significant  
12 resources during the investigative stage.

13           (h) ADMINISTRATION.—The administrative functions  
14 of the national task force program will be performed by  
15 an executive office to be established within the Depart-  
16 ment of Justice in Washington, D. C. It shall be super-  
17 vised by a Director, and the staff shall consist of profes-  
18 sional and support staff deemed necessary for the per-  
19 formance of management and administrative functions.

20           (i) OVERSIGHT.—An Executive Review Board shall  
21 oversee the task force program. It shall be composed of  
22 ranking officials from each of the participating Federal  
23 agencies and the Advisory Committee of the United States  
24 Attorneys. Its role shall be to articulate policy, review allo-  
25 cation of resources and coordinate the development and

1 maintenance of the task force program. The Board shall  
2 also be responsible for resolving policy disputes that can-  
3 not be resolved within or among the regional task forces  
4 or the participating agencies. The Board shall meet no less  
5 frequently than quarterly.

6 (j) GUIDELINES.—The Attorney General shall, in  
7 consultation with the Executive Review Board, establish  
8 guidelines for the operation and management of the task  
9 force program.

10 **SEC. 7. NATIONAL HEALTH CARE FRAUD AND ABUSE DATA**  
11 **BASE.**

12 (a) IN GENERAL.—The Attorney General, in con-  
13 sultation with the Secretary of the Department of Health  
14 and Human Services, shall establish a data base of infor-  
15 mation relevant to health care fraud and abuse, in order  
16 to provide a central repository of such information to as-  
17 sist in the prevention, detection, and prosecution of health  
18 care fraud and abuse. The Attorney General shall ensure  
19 that all information relating to the final dispositions of  
20 civil and criminal actions commenced by the United States  
21 relating to such fraud and abuse is included in the data  
22 base, and shall also obtain for inclusion such information  
23 from States and other parties who are willing to provide  
24 it.



1 (b) CORRECTION OF ERRONEOUS INFORMATION.—

2 The Attorney General shall provide for a procedure  
3 through which a person, to whom information within the  
4 data base established under this section pertains, may re-  
5 view that information and obtain the correction of errors  
6 pertaining to that person.

7 (c) DISCLOSURE.—The Attorney General may dis-  
8 close information within the data base to outside parties,  
9 public or private, but only for use to further the purposes  
10 of the data base and only to such parties as materially  
11 participate in the data base.

12 (d) FEES.—The Attorney General may set reasonable  
13 fees for the disclosure of information in the data base.

14 (e) CONFIDENTIALITY.—The Attorney General shall  
15 by rule restrict access to information within the data base  
16 in order adequately to protect the confidentiality of that  
17 information and the privacy of individuals to whom it re-  
18 lates.

19 **SEC. 8. NATIONAL HEALTH CARE FRAUD AND ABUSE HOT-**  
20 **LINE.**

21 The Attorney General shall—

22 (1) establish a national, toll-free health care  
23 fraud and abuse hotline to enable all persons, includ-  
24 ing health care consumers, providers, and insurers,

1 to report (anonymously, if so desired) suspected in-  
2 stances of health care fraud or abuse;

3 (2) provide for the appropriate referral of all in-  
4 formation that is obtained through the hot line; and

5 (3) assure that the public is provided adequate  
6 publicity about the existence and capabilities of the  
7 hotline.

8 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

9 There are authorized to be appropriated in fiscal year  
10 1993 for the purposes of carrying out this Act and the  
11 amendments made by this Act—

12 (1) \$23,000,000 for the Federal Bureau of In-  
13 vestigation to hire, equip, and train no fewer than  
14 225 special agents and support staff to investigate  
15 health-care fraud cases;

16 (2) \$5,000,000 to hire, equip, and train no  
17 fewer than 50 assistant United States Attorneys and  
18 support staff to prosecute health-care fraud cases;

19 (3) \$3,000,000 to hire, equip, and train no  
20 fewer than 25 investigators in the Office of Inspec-  
21 tor General, Department of Health and Human  
22 Services, to be devoted exclusively to health-care  
23 fraud cases;

24 (4) \$ to establish, operate, and ad-  
25 minister health care fraud task forces;

1           (5) \$                   to establish, operate, and ad-  
2           minister the national health care fraud and abuse  
3           data base; and

4           (6) \$                   to establish, operate, and ad-  
5           minister the national health care fraud and abuse  
6           hotline.

7   **SEC. 10. SCHEMES AND DEVICES RELATING TO EXPRESS**  
8                           **AND OTHER COMMERCIAL CARRIER SERV-**  
9                           **ICES.**

10       (a) **IN GENERAL.**—Chapter 63 of title 18, United  
11 States Code, is amended by adding at the end the fol-  
12 lowing:

13   **“§ 1347. Express company fraud**

14       “Whoever engages in any conduct with respect to a  
15 private or commercial interstate carrier which, were that  
16 conduct engaged in with respect to the Postal Service,  
17 would be a violation of section 1341 or 1342 of this title,  
18 shall be punished as is provided under such section for  
19 such violation.”.

20       (b) **CLERICAL AMENDMENT.**—The table of sections  
21 at the beginning of chapter 63 of title 18, United States  
22 Code, is amended by adding at the end the following new  
23 item:

“1347. Express company fraud.”.