

# Medical Assistance Protection Act

The Medical Assistance Protection (MAP) Act (HF 2354/SF 2689) is bipartisan legislation that will expand the Attorney General’s Office’s ability to investigate Medical Assistance fraud (known federally as Medicaid), give the office new tools to hold fraudsters accountable, and increase penalties for those found guilty of stealing money meant for low-income Minnesotan’s healthcare.

The MAP Act will improve the Attorney General’s Office’s ability to investigate and prosecute fraudsters by:

- Adding 9 new staff members to the Attorney General’s Office’s Medicaid Fraud Control Unit (MFCU) to account for recent increases to the state Medicaid budget. The bill will increase the MFCU’s staff from 32 to 41 people.
- Increasing criminal penalties for people who commit Medical Assistance fraud.
- Giving the Attorney General’s Office the authority to subpoena financial records during criminal Medical Assistance fraud investigations.

## Background on MFCU

The Medicaid Fraud Control Unit (MFCU) is a unit within Attorney General Ellison’s Office that investigates and prosecutes Medicaid provider fraud. Similar units exist in all 50 states across the country and are generally located within the attorney general’s office. 75% of the unit’s funding comes from federal government grants and the other 25% comes from the State. While attorneys general direct the day-to-day work of MFCUs, the U.S. Department of Health and Human Services Office of Inspector General (HHS OIG) exercises some oversight of MFCUs, including auditing their performance and recertifying them yearly.

## Increasing MFCU Staffing

The MAP Act would appropriate \$390,750 ongoing to increase the size of Minnesota’s Medicaid Fraud Control Unit from 32 to 41.

MFCU staffing levels are based on the size of a state’s Medicaid budget. The present size of Minnesota’s MFCU, 32, was set when the state’s Medicaid budget was roughly \$13 billion. Now that the Medicaid budget is approaching \$20 billion, HHS OIG recommends Minnesota’s MFCU increase its staffing levels to 41.

States with similar Medicaid budgets to Minnesota’s often have larger MFCUs, as illustrated below using data from HHS OIG’s 2023 annual report:

State	Medicaid Budget	MFCU Staff
Minnesota	\$19,113,079,015	32
Washington	\$19,498,539,690	55
North Carolina	\$20,451,882,615	47
Virginia	\$21,599,145,038	94

Despite the Minnesota MFCU’s smaller size, it regularly outpaces its peer states. An HHS OIG audit of Minnesota’s MFCU noted that from 2020–22, Minnesota won the most convictions for provider fraud when compared with



similarly sized states. The passage of the MAP Act would further expand our MFCU's ability to hold fraudsters accountable.

Minnesota's MFCU also more than pays for itself through the criminal restitution and civil recoveries it wins. The unit's budget is roughly \$5 million per year, of which the State only pays 25%. From 2019-24, Minnesota was awarded \$53,237,300.35 in civil penalties and criminal restitution thanks to the MFCU's work.

## Expanding the AGO's Subpoena Authority

The MAP Act improves the Attorney General's Office's ability to investigate Medicaid fraud by expanding the office's subpoena powers. Specifically, when AGO is conducting a provider fraud investigation, the act grants the AGO the same authority to subpoena financial records as county attorneys do when they conduct welfare fraud investigations. At present, even when the AGO is conducting a criminal investigation, it lacks the same authority to acquire certain records as county attorneys have. The MAP Act would fill this gap.

## Improving Minnesota's Medical Assistance Fraud Legislation

Minnesota's current Medical Assistance fraud law classifies Medical Assistance fraud as an attempted theft of public funds, rather than a completed theft. The maximum penalty allowed under this law is 2.5 years in prison, regardless of the amount stolen. The MAP Act brings Minnesota's Medical Assistance fraud law in line with other theft laws, which carry a maximum penalty of up to 20 years in prison and a fine of up to \$100,000 for theft of over \$35,000.