

January 28, 2013

The Honorable Jeff King, Chairperson
Senate Committee on Judiciary
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator King:

SUBJECT: Fiscal Note for SB 59 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 59 is respectfully submitted to your committee.

SB 59 would authorize the Attorney General to offer rewards not to exceed \$5,000 to any person who furnishes information which leads to a conviction or judgment in favor of the state for violations of the Medicaid Fraud Control Act, False Claims Act, or other laws protecting the public treasury.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	\$162,800
Expenditure	--	--	--	\$50,000
FTE Pos.	--	--	--	--

The Attorney General notes that expenditures would vary based on the number of tips that result in successful judgments or recoveries. From 2008 to 2012, the Attorney General's Medicaid Fraud and Abuse Division received 147 referrals from non-law enforcement agencies, which resulted in 50 cases being filed, an average of ten cases a year. It is expected the offer of a reward would double the number of referrals and successful case filings. If 20 tips per year were awarded with an average reward of \$2,500, the total expenses would be \$50,000 per year.

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Revenues would be generated through the recovery of funds based on information provided by the increased referrals. From 2008 to 2012, the average recovery from a non-law enforcement referral was \$8,140. It is anticipated \$162,800 would be generated per year. The Attorney General also anticipates that increased public awareness of financial rewards for tips could continue to increase the number of referrals and the amount of recoveries to an unknown extent. Any fiscal effect associated with SB 59 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Willie Prescott, Attorney General's Office