

A STATE FALSE CLAIMS ACT : THE WRONG TOOL AT THE WRONG TIME

What is the issue?

A state False Claims Act would open the door to opportunistic lawsuits against hospitals. It would allow private individuals and their attorneys to file lawsuits against health care providers and collect a share of any financial penalties.

A state False Claims Act won't reduce fraud. It will only increase the risk of hospital closures and service cuts across Pennsylvania.



Less access to
emergency care



Fewer maternity and
mental health services



Longer wait times
and worse outcomes

Why is this a problem?

- Hospital stability is already at risk and recently enacted federal cuts will cost Pennsylvania hospitals an estimated \$22.5 billion over 10 years.
- Rural hospitals may be just one frivolous lawsuit away from closure.
- Frivolous lawsuits drain resources from hospitals and reward trial lawyers, not patients.
- Pennsylvania is already facing a medical liability crisis.

Pennsylvania already has strong tools to fight fraud

- ✓ Federal law that allows whistleblower lawsuits
- ✓ Attorney general prosecution

Pennsylvania has one of the lowest Medicaid error rates in the nation at just 2.5%. Most are paperwork errors, not fraud.

The bottom line

We all want to stop fraud. But a state False Claims Act is the wrong approach.

- ✗ It's duplicative
- ✗ It costs more than it recovers
- ✗ It threatens access to care