



The Hospital + Healthsystem
Association of Pennsylvania

October 6, 2026

Members of the Pennsylvania House of Representatives:

On behalf of more than 235 member hospitals and health systems, The Hospital and Healthsystem Association of Pennsylvania (HAP) writes in strong opposition to Amendment A04510 that has been offered to Senate Bill 115 (Argall) and is expected to be offered on second consideration on the House floor today. The amendment would establish a state-level Medicaid False Claims Act.

HAP and the hospital community share the goal of preventing fraud, protecting taxpayer dollars, and maintaining the integrity of the Medicaid program. However, Amendment A04510 would create serious unintended consequences for patient care and Pennsylvania's health care system:

- **Amendment A04510 threatens patient access to care:** Amid pending historic cuts to hospital payments, hospitals across Pennsylvania—particularly those serving rural and underserved communities—are operating under extraordinary financial pressure. Additional litigation exposure from frivolous lawsuits would require hospitals to divert resources from patient care, reduce services or staffing, or reconsider the availability of services such as emergency care, maternity care, and other essential health services. At a time when hospitals are already confronting significant payment reductions and financial uncertainty, the amendment could further undermine community health and economic stability throughout the Commonwealth.
- **Federal False Claims law already exists:** Medicaid claims are subject to the federal False Claims Act and other federal and state program-integrity authorities. These existing mechanisms provide an established framework for investigating and pursuing intentional fraud while allowing providers and government agencies to address payment, coding, and documentation issues through established oversight and corrective-action processes. A duplicative state qui tam framework could increase litigation costs and uncertainty without necessarily improving the identification of intentional fraud.
- **Pennsylvania's Medicaid payment error rate is among the lowest in the nation:** The commonwealth's Medicaid [error rate](#) was **.26 percent** for its most recently completed federal Payment Error Rate Measurement (PERM) review cycle—well below the national average of 6.12 percent. Importantly, the PERM rate measures improper payments, including payments affected by missing documentation or administrative errors, and is not a measure of fraud. This performance reflects the continuing efforts of Pennsylvania providers and [state agencies](#) to promote program integrity and correct payment errors, saving the commonwealth more than \$486 million in the last budget cycle alone.

Hospitals and health care providers are focused on delivering high-quality care to patients and complying with program requirements. When errors occur, they are addressed through appropriate audits and existing enforcement mechanisms. Pennsylvania should avoid creating additional financial incentives for litigation that could divert scarce health care resources away from patients.



HAP respectfully urges you to vote no on Amendment A04510 being offered on SB 115.

Sincerely,

Arielle Chortanoff
Vice President, State Advocacy