

A State False Claims Act Would Put Pennsylvanians' Care at Risk

A proposal to enact a state version of the federal False Claims Act seeks to protect government programs by allowing anyone to sue people or entities they accuse of defrauding the government and collect a portion of any damages awarded.

Hospitals recognize the high cost of fraud to Pennsylvania taxpayers and take preventing it very seriously. There are already many government tools to oversee the integrity of medical billing, protect whistleblowers, and effectively combat fraud. Adding a state False Claims Act would not improve outcomes. Instead, it would open the flood gates for opportunistic lawyers to file frivolous lawsuits against providers and hospitals. It would put Pennsylvanians' health care at risk, especially in underserved and rural communities.

A state False Claims Act puts care at risk.

- Amid a nationwide health care workforce crisis, a state False Claims Act would make it even harder to attract and keep the physicians, nurses, and other providers who are badly needed to care for Pennsylvanians. Pennsylvania is already bracing for a medical liability climate that will make it harder to retain providers due to the return [venue shopping](#).
- [About half](#) of hospitals operated in the red during 2022 and continue to [struggle financially](#). Increased legal costs would put hospitals that are already struggling at greater risk of having to close or reduce services.
- The danger is especially high for [rural hospitals](#), which serve at-risk communities and face greater financial challenges. Many rural hospitals may be one frivolous lawsuit away from having to close.

A state False Claims Act is redundant and ripe for abuse.

- The False Claims Act encourages frivolous lawsuits that can result in high legal costs for defendants. The burden of proof is very low, leaving the door wide open for unnecessary and expensive legal costs for actions like honest billing mistakes.
- There is already a federal False Claims Act that allows whistleblowers to file cases over Medicaid fraud.
- Pennsylvania's attorney general already has authority to pursue criminal actions against individuals or businesses that defraud the commonwealth's Medicaid program.



What's At Risk?

Pennsylvania doesn't have a public hospital system. Hospitals take on the responsibility of caring for all patients, regardless of ability to pay, addressing public health threats, and improving community wellness.

Hospitals are among the top ten largest employers in 59 of Pennsylvania's 67 counties. In 18 counties, a hospital is the number one largest employer.

Pennsylvania hospitals—both directly and indirectly—support 590,000 jobs and a \$168 billion economic impact.

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