

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 675  
Health Care Committee Substitute Adopted 4/1/09  
House Committee Substitute Favorable 6/9/10  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S675-PCS85381-RG-66

Short Title: Prohibit Medicaid Fraud/Kickbacks.

(Public)

Sponsors:

Referred to:

March 19, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROHIBIT GIVING OR RECEIVING REMUNERATION RELATED TO THE  
3 MAKING OF REFERRALS OR PURCHASE/LEASE ARRANGEMENTS THAT LEAD  
4 TO MEDICAID PAYMENTS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 108A-63 is amended by adding the following new subsections  
7 to read:

8 "(g) It shall be unlawful for any person to knowingly and willfully solicit or receive any  
9 remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or  
10 covertly, in cash or in-kind:

11 (1) In return for referring an individual to a person for the furnishing or  
12 arranging for the furnishing of any item or service for which payment may  
13 be made in whole or in part under this Part.

14 (2) In return for purchasing, leasing, ordering, or arranging for or  
15 recommending purchasing, leasing, or ordering any good, facility, service, or  
16 item for which payment may be made in whole or in part under this Part.

17 (h) It shall be unlawful for any person to knowingly and willfully offer or pay any  
18 remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or  
19 covertly, in cash or in-kind to any person to induce such person:

20 (1) To refer an individual to a person for the furnishing or arranging for the  
21 furnishing of any item or service for which payment may be made in whole  
22 or in part under this Part.

23 (2) To purchase, lease, order, or arrange for or recommend purchasing, leasing,  
24 or ordering any good, facility, service, or item for which payment may be  
25 made in whole or in part under this Part.

26 (i) Subsections (g) and (h) of this section shall not apply to:

27 (1) Contracts between the State and a public or private agency where part of the  
28 agency's responsibility is referral of a person to a provider.

29 (2) Any conduct or activity that is specified in 42 U.S.C. § 1320a-7b(b)(3), as  
30 amended, or any federal regulations adopted pursuant thereto.



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1       (j)     Nothing in subsections (g) and (h) of this section shall be interpreted or construed to  
2 conflict with 42 U.S.C. § 1320a-7b(b), as amended, or with federal common law or federal  
3 agency interpretations of the statute."

4             **SECTION 2.** This act becomes effective December 1, 2010, and applies to  
5 offenses committed on or after that date.