



Significant Rewards for Medicare Fraud Whistleblowers

The Centers for Medicare & Medicaid Services (CMS) issued [a proposed rule](#) that would dramatically increase the potential reward for individuals who provide information leading to the recovery of Medicare funds from companies and/or individuals who have engaged in fraud or abuse. Currently, CMS' Medicare Incentive Reward Program (IRP) awards whistleblowers up to 10% of recoveries, with a \$1,000 maximum. Under the new rule, those caps would be increased to 15% of recoveries, with a maximum of \$9.9 million.

The proposed rule would give potential whistleblowers the choice of participating in the revised IRP or filing a *qui tam* lawsuit on behalf of the government under the False Claims Act (FCA). In the latter case, whistleblowers can receive up to 30% of recoveries if the Department of Justice (DOJ) does not join the lawsuit after its initial investigation, and between 15%-25% if it does. However, FCA lawsuits often remain under seal for several years while the DOJ investigates the individual's allegations, consequently delaying the time until the case is resolved and he/she may receive a share of the recovery. By contrast, CMS believes that the proposed rule would encourage more people to report Medicare fraud and abuse directly to CMS because it could yield a substantial and more quickly obtained reward. Individuals cannot receive anything through the IRP if they have previously filed a *qui tam* lawsuit, or provided information that is already the subject of a pending CMS or DOJ investigation.

Comments on the proposed rule are being accepted through June 28, 2013.

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