Title of rule and other identifying information: (Describe Subject) Washington Medicaid False Claims Act Civil Penalty Adjustment. In adopting the False Claims Act (FCA), chapter 74.66 RCW, the legislature imposed civil penalties in RCW 74.66.020(1) of “not less than $5,500 and not more than $11,000, plus three times the amount of damages which the government entity sustains because of the act of that person...” for violation of RCW 74.66.020(1) (a) through (g). In RCW 74.66.020(5), the legislature required that the Attorney General adopt a rule to “…annually adjust the civil penalties established in subsection (1) of this section so that they are equivalent to the civil penalties provided under the federal False Claims Act and in accordance with the federal civil penalties inflation adjustment act of 1990.”

Hearing location(s): 2425 Bristol Court (Fourth Floor) Olympia, Washington 98502

Date: June 29, 2017 Time: 10:30 a.m.

Date of intended adoption: July 21, 2017 (Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

This proposed language complies with legislative direction in RCW 74.66.020(5) to, “annually adjust the civil penalties established in subsection (1) of this section so that they are equivalent to the civil penalties provided under the federal false claims act and in accordance with the federal civil penalties inflation adjustment act of 1990” by changing the civil penalties under Washington’s Medicaid False Claims Act to reflect inflation adjustments to the federal false claims act civil penalties made pursuant to 31 USC 3729(a), 28 CFR 85.3(a)(9).

Reasons supporting proposal: See purpose above.

Statutory authority for adoption: RCW 74.66.020(5)
Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:
No adverse fiscal impact to the state is expected from the proposed rule.

Name of proponent: (person or organization)
Bob Ferguson, Attorney General

Name of agency personnel responsible for:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office Location</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Drafting..............</td>
<td>Douglas D. Walsh, Sr. AAG</td>
<td>Olympia, WA</td>
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<td>Implementation.......</td>
<td>Douglas D. Walsh, Sr. AAG</td>
<td>Olympia, WA</td>
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<tr>
<td>Enforcement..........</td>
<td>Douglas D. Walsh, Sr. AAG</td>
<td>Olympia, WA</td>
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Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

☐ Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:
Name:  
Address:  
phone ( )  
fax ( )  
e-mail  

☒ No. Explain why no statement was prepared.
No small business economic impact statement has been prepared under chapter 19.85 RCW. The agency expects these rule modifications to have no negative small business impact. The proposed modifications to existing rules do not impose any new or additional costs on any business or industry beyond those associated with compliance with existing statutory obligations currently mandated pursuant to chapter 74.66 RCW.

Is a cost-benefit analysis required under RCW 34.05.328?

☐ Yes  A preliminary cost-benefit analysis may be obtained by contacting:
Name:  
Address:  
phone ( )  
fax ( )  
e-mail  

☒ No: Please explain:

Pursuant to RCW 34.05.328(5)(a)(i), this agency is not an agency mandated to comply with RCW 34.05.328. Further, the agency does not voluntarily make that section applicable to the adoption of this rule pursuant to subsection (5)(a)(ii), and to date, the joint administrative rules review committee has not made the section applicable to the adoption of this rule. In addition, pursuant to RCW 34.05.328(5)(b)(iii) and (v), this proposed new rule adopts without material change Washington state statutes and/or has content that is explicitly and specifically dictated by statute. See description under “Purpose” section.
WAC 44-02-010 Washington Medicaid False Claims Act civil penalty adjustment.
Pursuant to RCW 74.66.020(5), the civil penalties under RCW 74.66.020(1) are adjusted for violations that occur after November 2, 2015, from not less than $5,500 and not more than $11,000 to not less than $10,957 and not more than $21,916, plus three times the amount of damages which the government entity sustains because of the act of that person.