

Medical Assistance Protection Act

The revised Medical Assistance Protection (MAP) Act (SF 2689) is bipartisan legislation that will expand the Attorney General's Office's ability to investigate fraud in Minnesota's Medical Assistance program (known federally as Medicaid), give the office new tools to hold fraudsters accountable, and increase penalties for those found guilty of stealing money meant for low-income Minnesotan's healthcare.

The MAP Act will improve the Attorney General's Office's ability to investigate and prosecute fraudsters by:

- Adding 18 new staff members to the Attorney General's Office's Medicaid Fraud Control Unit (MFCU) to account for an almost tripling of the numbers of fraud referrals the MFCU has received. The bill will increase the MFCU's staff from 32 to 50 people.
 - With those funds, the MFCU would add 11 investigators, 3 attorneys, and 4 support staff to the unit.
- Strengthening state Medical Assistance fraud laws by:
 - expanding fraud statutes to cover the breadth of fraud schemes investigators uncover;
 - creates enhanced sentencing for high-dollar fraud cases;
 - adding Medical Assistance fraud to Minnesota's racketeering statute, making it easier to take down larger conspiracies;
 - expanding the statute of limitations; and
 - increasing the state's ability to recover tax dollars lost to fraud.
- Giving the Attorney General's Office the authority to subpoena financial records during criminal Medical Assistance fraud investigations.

Increasing MFCU Staffing

Since the beginning of the State's fiscal year in October 2025, the MFCU has received more fraud referrals than in the entirety of any previous fiscal year. This roughly amounts to a tripling of the fraud referrals received. To account for this increase, the MAP Act would appropriate an additional \$1.23 million annually for the Attorney General's Office, which will be used to increase the size of Minnesota's Medicaid Fraud Control Unit from 32 to 50.

MFCU investigators perform specialized work investigating complex health care fraud and financial crimes. Its investigators come from a variety of backgrounds, including former FBI agents specializing in health care fraud, former State and local law enforcement specializing in financial crimes, former program integrity investigators at health insurance companies, former analysts and money laundering investigators at financial institutions, registered nurses who investigate complex patient abuse instances, and ex-military members. MFCU prosecutors primarily bring backgrounds as Assistant County Attorneys and Assistant United States Attorneys.

Minnesota's MFCU also more than pays for itself through the criminal restitution and civil recoveries it wins. The unit's budget is roughly \$5 million per year, of which the state only pays 25%. The other 75% is paid for by the federal government. From 2019-2025, Minnesota was awarded over \$80,000,000 in civil penalties and criminal



restitution thanks to the MFCU's work. This means that for every dollar Minnesota invests in the MFCU, roughly nine dollars are won in recoveries and restitution.

Strengthening Minnesota's Medical Assistance Fraud Law

The 2026 MAP Act strengthens Minnesota's Medical Assistance fraud law in numerous ways:

Expanding the Medical Assistance fraud statute to prohibit a wider range of criminal conduct

Key among those changes is the expansion of Minnesota's Medical Assistance fraud statute to more clearly prohibit the broad array of criminal activity that can constitute Medical Assistance fraud. Currently, Minnesota's Medical Assistance fraud statute simply prohibits presenting a false Medical Assistance claim for reimbursement to a state agency with intent to defraud. The narrow wording of the statute has proved challenging for prosecutors who have identified fraudulent conduct that extends beyond simply presenting a false claim for reimbursement for services not rendered.

To address this gap, the 2026 MAP Act expands the statute to more clearly prohibit a wider range of fraudulent acts, including: providing false information with intent to defraud when enrolling as a Medical Assistance provider; falsely altering or creating records related to the delivery of Medical Assistance services, intentionally destroying or attempting to destroy records after receiving a lawful request for those records by any state agency or law enforcement agency; preparing or submitting with intent to defraud a claim for payment or reimbursement while knowing that any part of the claim is ineligible for payment or reimbursement; and more. The full list of additions to Minnesota's Medical Assistance fraud statute can be found [here](#) (add link).

By more specifically defining the types of criminal acts that can constitute Medical Assistance fraud, the MAP Act will make it easier for prosecutors to secure convictions against those who defraud the Medical Assistance program.

Improving Minnesota's ability to recover tax dollars lost to Medical Assistance fraud

Currently, for the state to be awarded restitution from those found guilty of Medical Assistance fraud, prosecutors must charge defendants with every dollar of that fraud they want reimbursed. This requires prosecutors to comb through up to six years of financial documents before even filing charges to account for every dollar of the fraud they want to seek restitution for. This can dramatically slow down and even jeopardize investigations, particularly if the targets are a flight risk. The MAP Act changes this by permitting prosecutors to seek additional restitution for fraud they can prove at the time of sentencing. This will allow prosecutors to file charges more quickly while recovering more of Minnesotans' hard-earned tax dollars.

Enhancing sentencing for high dollar cases

Current law treats all Medical Assistance fraud above \$35,000 identically with respect to criminal penalties, meaning someone who steals \$35,001 from Medical Assistance faces the same penalties as someone who steals \$3,500,000. The 2026 MAP Act establishes new tiers of criminal penalties for Medical Assistance fraud over \$100,000 and over \$1,000,00 respectively.

Increasing penalties for stealing from Minnesota taxpayers

Minnesota's current Medical Assistance fraud law classifies Medical Assistance fraud as an attempted theft of public funds, rather than a completed theft. The maximum penalty allowed for an attempted theft is 2.5 years in prison, regardless of the amount stolen. The MAP Act brings Medical Assistance fraud in line with other state theft laws by increasing that maximum penalty to 10 years.

Extending the statute of limitations on Medical Assistance fraud

The MAP Act extends the statute of limitations for Medical Assistance fraud from its current six years to the inception of the time that the fraud scheme occurred, which will allow prosecutors more freedom to target and take down long-running fraud schemes.

Including Medical Assistance fraud in state racketeering law

Racketeering is criminal conduct orchestrated by an organized group. Minnesota racketeering statutes list specific crimes that can potentially constitute racketeering, and Medical Assistance fraud is not on that list. The MAP Act adds Medical Assistance fraud to Minnesota’s racketeering statute, which makes it easier for prosecutors to take down larger fraud schemes.

Expanding the AGO’s Subpoena Authority

The MAP Act improves the Attorney General’s Office’s ability to investigate Medicaid fraud by expanding the office’s subpoena powers. Specifically, when AGO is conducting a provider fraud investigation, the act grants the AGO the same authority to subpoena financial records as county attorneys do when they conduct welfare fraud investigations. At present, even when the AGO is conducting a criminal investigation, it lacks the same authority to acquire certain records as county attorneys have. The MAP Act would fill this gap.

Background on the MFCU

The Medicaid Fraud Control Unit is a unit within Attorney General Ellison’s Office that investigates and prosecutes Medicaid provider fraud. Similar units exist in all 50 states across the country and are generally located within the attorney general’s office. 75% of the unit’s funding comes from federal government grants and the other 25% comes from the State. While attorneys general direct the day-to-day work of MFCUs, the U.S. Department of Health and Human Services Office of Inspector General (HHS OIG) exercises some oversight of MFCUs, including auditing their performance and recertifying them yearly.

The MFCU operates based on referrals, which generally come from state agencies like the Department of Human Services, as well as health insurance companies. By law, the Medicaid Fraud Control Unit must devote all of its time and resources to fighting Medicaid fraud. This means the unit cannot investigate and prosecute fraud against other public programs. Authority to prosecute criminal fraud against other public programs generally rests with county attorneys and the United States Attorney’s Office.

MFCU staffing levels are based on the size of a state’s Medicaid budget. The present size of Minnesota’s MFCU, 32, was set when the state’s Medicaid budget was roughly \$13 billion. Now that the Medicaid budget is approaching \$20 billion, HHS OIG recommends Minnesota’s MFCU increase its staffing levels.

States with similar Medicaid budgets to Minnesota’s often have larger MFCUs, as illustrated below using data from HHS OIG’s 2024 annual report:

<u>State</u>	<u>Medicaid Budget</u>	<u>MFCU Staff</u>
Virginia	\$22,354,412,784	92
Washington	\$21,318,488,278	57
Arizona	\$20,388,207,470	33
Indiana	\$20,020,602,077	59
Minnesota	\$19,328,609,948	32

Despite the Minnesota MFCU’s smaller size, it regularly outpaces its peer states. An HHS OIG audit of Minnesota’s MFCU noted that from 2020–22, Minnesota won the most convictions for provider fraud when compared with similarly sized states. The passage of the MAP Act would further expand Attorney General Ellison’s MFCU’s ability to hold fraudsters accountable.

