



OFFICE OF THE GOVERNOR

NEWS RELEASE

PO BOX 004
CONTACT: Pete McDonough
Julie Plocinik
(609) 777-2600

TRENTON, NJ 08625
RELEASE: January 15, 1998



Gov. Christie Whitman today signed legislation that cracks down on fraud perpetrated by physicians, health care providers and claimants and allows for the permanent revocation of professional licenses of those who abuse the system..

"Health care fraud is a known cause behind the high cost of health and automobile insurance rates. This legislation will strengthen our ability to go after those who take part in the filing of a false claim - whether they be a doctor, a pharmacist or any one else," said Gov. Whitman. "And it helps us ensure that the punishment fits the crime. With this law, we will have the ability to take away the license - in some cases permanently - - of doctors who practice fraud."

The legislation provides that licensed practitioners, including doctors, lawyers and pharmacists, who knowingly file a false, fraudulent or misleading statement in the course of providing services would be guilty of a crime of the second degree. A practitioner who recklessly commits such crimes during the course of providing professional services would be guilty of a crime of the third degree. The law also provides for the automatic revocation, or in some cases one-year suspension, of the state license of a practitioner who is found guilty of health-care claims fraud.

Under the new law, a person who is not acting as a licensed practitioner who knowingly submits, or attempts to submit, one fraudulent claim would be guilty of a third degree offense. A non- practitioner who knowingly submits to five or more claims valued at more than \$1,000 would be guilty of a second degree crime.

S-2270 was sponsored by Senator John Mattheussen (R- Camden/Gloucester) and Assembly Members Guy Talarico (R-Bergen) and Barbara Wright (R-Mercer/ Middlesex).

Gov. Whitman today also signed the following legislation:

A-2188, sponsored by Assembly members Alex DeCroce (R- Essex/Morris/Passaic) and Joseph Charles (D-Hudson), bars the filing of public and private claims for deficiencies in improvements to real property after ten years following the completion of the construction. Current law allowed public entities to file suit within ten

years after the discovery of the defect. Private entities already have a limitation similar to that provided in the legislation signed today. The legislation equalizes the playing field to treat public and private entities in a similar fashion. Under the new law, exemptions would apply for willful misconduct or gross negligence. Projects under environmental remediation law or related to asbestos removal are also exempt from this new law. This law will apply only to a cause of action which occurs after the effective date of this bill.

####

