

1 SB196
2 182782-4
3 By Senator Orr
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 16-FEB-17

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 Relating to workers' compensation; to amend Section
12 13A-11-124, Code of Alabama 1975, to expand the type of
13 activity related to workers' compensation fraud that is
14 subject to criminal penalties, to authorize an award of civil
15 damages for persons injured by an individual's fraudulent
16 workers' compensation claim; to provide for the preservation
17 of documentation by the department upon suspicion of fraud; to
18 require the department to provide documentation of suspected
19 fraud to the district attorney or Attorney General; to provide
20 for the repayment of fraudulently obtained workers'
21 compensation benefits under certain conditions; and in
22 connection therewith would have as its purpose or effect the
23 requirement of a new or increased expenditure of local funds
24 within the meaning of Amendment 621 of the Constitution of
25 Alabama of 1901, now appearing as Section 111.05 of the
26 Official Recompilation of the Constitution of Alabama of 1901,
27 as amended.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Section 13A-11-124, Code of Alabama 1975,
3 is amended to read as follows:

4 "§13A-11-124.

5 "Any person who ~~makes or causes to be made any~~
6 ~~knowingly false or fraudulent material statement or material~~
7 ~~representation for the purpose of obtaining compensation, as~~
8 ~~defined in Section 25-5-1(1), as amended, for himself or~~
9 ~~herself or any other person~~ does any of the following relating
10 to a claim for benefits under Chapter 5 of Title 25 is guilty
11 of a Class C felony.:

12 "(1) When making a claim for compensation, as
13 defined in Section 25-5-1(1), knowingly, with intent to
14 deceive, makes, or causes to be made, a false or misleading
15 statement, representation, or submission concerning any fact
16 that is material to that claim for the purpose of wrongfully
17 obtaining the compensation.

18 "(2) Coerces, solicits, or encourages, or employs or
19 contracts with a person to coerce, solicit, or encourage, any
20 individual to make a false or misleading statement,
21 representation or submission concerning any fact that is
22 material to a claim for compensation or the payment of
23 compensation or premiums, pursuant to Chapter 5, Title 25, for
24 the purpose of wrongfully obtaining the compensation or of
25 evading the full payment of the compensation or premiums.

26 "(3) Presents, or causes to be presented, multiple
27 claims for the same loss or injury.

1 "(4) Fabricates, alters, conceals, makes a false
2 entry in, or destroys a document that is material to the claim
3 for the purpose of wrongfully obtaining the compensation.

4 Section 2. (a) In addition to any other penalty
5 provided by law, any person who wrongfully obtains
6 compensation under Chapter 5 of Title 25, Code of Alabama
7 1975, or evades the full payment of compensation or premiums
8 by means of a violation of Section 13A-11-124, Code of Alabama
9 1975, is liable to any individual or entity injured by the
10 violation for compensatory damages and all court costs and the
11 reasonable attorney's fees of the injured person.

12 (b) (1) Regarding a claim for compensation, as
13 defined in Section 25-5-1(1), upon suspicion by the Department
14 of Labor that a person has knowingly made a false or
15 misleading statement, representation, or submission concerning
16 any fact that is material to the claim, for the purpose of
17 obtaining the benefits, the Department of Labor shall preserve
18 all documentation relevant to the claim and provide the
19 relevant information to the district attorney or Attorney
20 General for review.

21 (2) Notwithstanding any other provision of law to
22 the contrary, and in addition to any other remedy available
23 under law, if a person has received compensation, as defined
24 in Section 25-5-1(1), Code of Alabama 1975, to which the
25 person is not entitled, he or she is liable to repay that sum
26 plus simple interest to the employer or the carrier or have
27 the sum plus simple interest deducted from future benefits

1 payable to that person, and the department shall issue an
2 order providing for the repayment or deduction.

3 (3) Nothing in this section shall preclude, if the
4 evidence so warrants, prosecution by the district attorney or
5 the Attorney General or indictment and conviction for a
6 violation of any provision of Title 13A or Title 25, Code of
7 Alabama 1975.

8 (4) A claim for compensation does not include any
9 payment for medical and surgical treatment and attention,
10 medicine, medical and surgical supplies, and crutches and
11 apparatus furnished to an employee on account of an injury.

12 (5) The Department of Labor may adopt rules for the
13 implementation and administration of this section.

14 Section 3. Notwithstanding any other provision in
15 this act, in the event that an injured employee is directed or
16 referred to a physician or other medical service provider by
17 the employer or the employer's representative, the employer
18 shall be responsible for the payment of all physician and
19 medical fees reasonably incurred in the treatment of the
20 injured employee for that directed or referred treatment until
21 such time as the employer provides notice in writing to the
22 physician or other provider of medical services that the
23 medical benefits have been terminated pursuant to the act for
24 knowingly making a false or misleading statement,
25 representation, or submission concerning any fact that is
26 material to the claim, for the purpose of obtaining benefits.

1 Section 4. Although this bill would have as its
2 purpose or effect the requirement of a new or increased
3 expenditure of local funds, the bill is excluded from further
4 requirements and application under Amendment 621, now
5 appearing as Section 111.05 of the Official Recompilation of
6 the Constitution of Alabama of 1901, as amended, because the
7 bill defines a new crime or amends the definition of an
8 existing crime.

9 Section 5. This act shall become effective on the
10 first day of the third month following its passage and
11 approval by the Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Fiscal Responsibility and Economic
Development..... 16-FEB-17

Read for the second time and placed on the calen-
dar with 1 substitute and..... 23-FEB-17

Read for the third time and passed as amended 06-APR-17

Yeas 23
Nays 5

Patrick Harris,
Secretary.