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(Original Signature of Member)

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To amend title XI of the Social Security Act to expand the permissive exclusion from participation in Federal health care programs to individuals and entities affiliated with sanctioned entities.

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IN THE HOUSE OF REPRESENTATIVES

Mr. STARK (for himself and Mr. HERGER) introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend title XI of the Social Security Act to expand the permissive exclusion from participation in Federal health care programs to individuals and entities affiliated with sanctioned entities.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Strengthening Medi-  
5       care Anti-Fraud Measures Act of 2010”.

1 **SEC. 2. PERMISSIVE EXCLUSION FROM FEDERAL HEALTH**  
2 **CARE PROGRAMS EXPANDED TO INDIVID-**  
3 **UALS AND ENTITIES AFFILIATED WITH SANC-**  
4 **TIONED ENTITIES.**

5 Section 1128(b)(15) of the Social Security Act (42  
6 U.S.C. 1320a-7(b)(15)) is amended to read as follows:

7 “(15) INDIVIDUALS OR ENTITIES AFFILIATED  
8 WITH A SANCTIONED ENTITY.—(A) Any of the fol-  
9 lowing:

10 “(i) Any individual who—

11 “(I) is a person with an ownership or  
12 control interest (as defined in section  
13 1124(a)(3)) in a sanctioned entity or an  
14 affiliated entity of such sanctioned entity  
15 (or was a person with such an interest at  
16 the time of any of the conduct that formed  
17 a basis for the conviction or exclusion de-  
18 scribed in subparagraph (B)); and

19 “(II) knows or should know (as de-  
20 fined in section 1128A(i)(7)) (or knew or  
21 should have known) of such conduct.

22 “(ii) Any individual who is an officer or  
23 managing employee (as defined in section  
24 1126(b)) of a sanctioned entity or affiliated en-  
25 tity of such sanctioned entity (or was such an  
26 officer or managing employee at the time of any

1 of the conduct that formed a basis for the con-  
2 viction or exclusion described in subparagraph  
3 (B)).

4 “(iii) Any affiliated entity of a sanctioned  
5 entity.

6 “(B) For purposes of this paragraph, the term  
7 ‘sanctioned entity’ means an entity—

8 “(i) that has been convicted of any of-  
9 fense described in subsection (a) or in  
10 paragraph (1), (2), or (3) of this sub-  
11 section; or

12 “(ii) that has been excluded from par-  
13 ticipation under a program under title  
14 XVIII or under a State health care pro-  
15 gram.

16 “(C)(i) For purposes of this paragraph, the  
17 term ‘affiliated entity’ means, with respect to a  
18 sanctioned entity—

19 “(I) an entity affiliated with such  
20 sanctioned entity; and

21 “(II) an entity that was so affili-  
22 ated at the time of any of the conduct  
23 that formed the basis for the convic-  
24 tion or exclusion described in subpara-  
25 graph (B).

1           “(ii) For purposes of clause (i), an entity shall be  
2 treated as affiliated with another entity if—

3                           “(I) one of the entities is a per-  
4 son with an ownership or control in-  
5 terest (as defined in section  
6 1124(a)(3)) in the other entity (or  
7 had such an interest at the time of  
8 any of the conduct that formed a  
9 basis for the conviction or exclusion  
10 described in subparagraph (B));

11                           “(II) there is a person with an  
12 ownership or control interest (as de-  
13 fined in section 1124(a)(3)) in both  
14 entities (or had such an interest at  
15 the time of any of the conduct that  
16 formed a basis for the conviction or  
17 exclusion described in subparagraph  
18 (B)); or

19                           “(III) there is a person who is an  
20 officer or managing employee (as de-  
21 fined in section 1126(b)) of both enti-  
22 ties (or was such an officer or man-  
23 aging employee at the time of any of  
24 the conduct that formed a basis for

1 the conviction or exclusion described  
2 in subparagraph (B)).”.