

NEWS & POLITICS

## Gov. Tim Walz calls for tougher Medicaid fraud penalties as FBI investigates autism centers

“They’re stealing from us ... You’ve got to increase the penalty on these crimes. These are crimes against children, in my opinion,” Walz said.

**By Ryan Faircloth and Rochelle Olson**  
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Gov. Tim Walz gives an interview with Minnesota Star Tribune journalists in his office at the State Capitol on Thursday. (Alex Kormann/The Minnesota Star Tribune)

Gov. Tim Walz called Thursday for Minnesota to increase criminal penalties for Medicaid

fraud in response to the FBI's investigation into autism service providers.

The FBI searched at least two Minnesota autism centers Thursday as it investigated "substantial evidence" of fraudulent Medicaid claims made by many companies participating in the state program. The state-funded Early Intensive Developmental and Behavioral Intervention (EIDBI) program, which serves people under 21 with autism spectrum disorder, has experienced exponential growth in Medicaid billing. Reimbursement claims soared from \$1.7 million in 2017, the first year of the program, to nearly \$400 million last year and again this year.

Federal law enforcement suspects many autism centers are billing for services not actually provided.

"This pisses me off unlike anything else," Walz told the Star Tribune in an interview Thursday afternoon. "They're stealing from us ... You've got to increase the penalty on these crimes. These are crimes against children, in my opinion."

"We're catching these people; they're going to prison," Walz said. "I don't think they're going long enough."

The DFL governor said he's fed up with fraudsters who are bilking programs meant to serve children in need. In another major Minnesota fraud case, Feeding Our Future and other organizations stole \$250 million during the pandemic from a federal program to provide meals to low-income children after school and during the summer.

Some people involved in the Feeding Our Future scheme owned or were associated with autism centers, according to the federal officials.

Minnesota House GOP Leader Lisa Demuth issued a statement Thursday calling on Walz to "order state agencies to immediately pause payments to anyone or any entity that is suspected or convicted of fraud in other state programs."

"State agencies must do more to stop criminal activity before even more taxpayer dollars are lost to bad actors," Demuth said.

Walz said it's not always possible to pause payments. Even if agencies suspect possible fraudulent activity, he said the law doesn't always allow them to immediately act.

"When we're pretty certain someone's involved in this, sometimes we don't have the legal authority to cut them off until the conviction goes through," Walz said. "That's one of the problems."

Walz said he'd like to see the state use predictive artificial intelligence to flag possible fraudsters more quickly. He said he plans to propose a "pretty significant package" of fraud prevention measures ahead of next year's legislative session, which starts Jan. 14.

Republicans in the state House and Senate have called for more action to reduce government fraud and waste. Walz said he welcomes their suggestions.

"If they have good ideas, we're going to work with them," he said.

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