

**SEC. 6506. OVERPAYMENTS.**

**(a) EXTENSION OF PERIOD FOR COLLECTION OF OVERPAYMENTS DUE TO FRAUD.—**

(1) **IN GENERAL.**—Section 1903(d)(2) of the Social Security Act (42 U.S.C. 1396b(d)(2)) is amended—

(A) in subparagraph (C)—

(i) in the first sentence, by striking “60 days” and inserting “1 year”; and

(ii) in the second sentence, by striking “60 days” and inserting “1-year period”; and

(B) in subparagraph (D)—

(i) in inserting “(i)” after “(D)”; and

(ii) by adding at the end the following:

“(ii) In any case where the State is unable to recover a debt which represents an overpayment (or any portion thereof) made to a person or other entity due to fraud within 1 year of discovery because there is not a final determination of the amount of the overpayment under an administrative or judicial process (as applicable), including as a result of a judgment being under appeal, no adjustment shall be made in the Federal payment to such State on account of such overpayment (or portion thereof) before the date that is 30 days after the date on which a final judgment (including, if applicable, a final determination on an appeal) is made.”.

(2) **EFFECTIVE DATE.**—The amendments made by this subsection take effect on the date of enactment of this Act and apply to overpayments discovered on or after that date.

June 9, 2010

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(b) CORRECTIVE ACTION.—The Secretary shall promulgate regulations that require States to correct Federally identified claims overpayments, of an ongoing or recurring nature, with new Medicaid Management Information System (MMIS) edits, audits, or other appropriate corrective action.