



TO: The Honorable Members of the PA House of Representatives

FROM: Neal Leshner, Director, Government Affairs

DATE: July 8, 2025

RE: **PA Chamber memo: Oppose H.B. 1697 – False Claims Act**

On behalf of the PA Chamber, I urge you to oppose HB 1697, which is scheduled to be considered by the House this week.

The PA Chamber supports eliminating waste, fraud and abuse of state tax dollars but strongly disagrees that enacting a state False Claims Act is a constructive approach. This policy promotes an unbalanced litigation environment that unfairly harms employers and the healthcare sector in particular.

Under this system, private individuals and plaintiffs' lawyers are incentivized to file lawsuits on behalf of the Commonwealth for alleged fraud by increasing the percentage of the recovery, with the lawyers' recovery increasing, while the Commonwealth's portion of the recovery decreases. Employers are often targeted with unfounded or frivolous claims and pressured to settle.

Pennsylvania's legal climate is already viewed as hostile to employers, with one national outfit recently ranking Pennsylvania as the worst "judicial hellhole" in the country, for the second year in a row. Enacting a False Claims Act will exacerbate this unfortunate distinction, expose employers to more unfair legal action and further bog down the state's already cumbersome and overly-crowded court system.

We urge you to oppose False Claims Act legislation and instead consider alternative approaches, such as amendment A01482 (Pugh), that address fraud without tipping the legal scales in an unfair and uncompetitive nature.

For any questions or further discussion, please contact Neal Leshner, Director of Government Affairs, at nlesher@pachamber.org or 717-507-9240.

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