

UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

<http://grassley.senate.gov>
press_office@grassley.senate.gov

Contact: Jill Kozeny, 202/224-1308
Jill Gerber, 202/224-6522

For Immediate Release
Wednesday, April 3, 2002

Grassley Exposes Improper Medicare Payments to Deportees

WASHINGTON – Citing a new report, Sen. Chuck Grassley, ranking member of the Committee on Finance, today said he expects the Medicare program to stop the improper payment of hundreds of thousands of dollars to treat deportees.

“We need to pay for a prescription drug benefit for legitimate Medicare beneficiaries,” Grassley said. “We don’t have money to waste on Medicare benefits for people who are in the country illegally. It’s especially shocking that some of these improper payments went to convicted criminals. Medicare is treating thugs who have been booted out of the country. That has to stop.”

Last April, Grassley, as chairman of the Committee on Finance, convened a hearing to explore the flow of millions of dollars in government cash assistance and benefits to prisoners, fugitives, the deceased and other ineligible people. As part of that hearing, Grassley asked the Department of Health and Human Services Inspector General to study this problem and offer solutions. The first of the agency’s reports, to come out Wednesday, focuses on improper payments to deportees. The report finds:

- ▶ During 1998 and 1999, 43 deported beneficiaries had fee-for-service payments totaling \$688,933 made on their behalf. These payments were for services provided after the beneficiaries were deported.
- ▶ Six deported Medicare beneficiaries had payments made on their behalf to Medicare managed care organizations totaling \$147,778 after the date of deportation.
- ▶ “Substantial amounts” of these overpayments were made for deported beneficiaries with criminal convictions, including possession of a controlled substance, extortion, defrauding the Social Security Administration and attempted murder.

The report says, “We are concerned that unless (the Centers for Medicare and Medicaid Services) CMS strengthens its internal control structure, future payments made on behalf of deported individuals will not only happen, but may increase.”

Grassley said he hopes CMS will follow the report’s recommendations to stop the Medicare payments made on behalf of deported individuals.

“Medicare doesn’t have a penny to spare for undeserving people,” Grassley said. “It’s already being squeezed to the limit, and that will only get worse when the baby boomers retire. Now is the time to nip this problem in the bud.”

Grassley said he will continue to work on the improper payments problem involving other populations in addition to deportees. At the time of his hearing last year, his investigation revealed that an estimated \$790 million a year -- and as much as \$831 million -- is wasted through just 12 benefit programs at the Department of Health and Human Services and the Social Security Administration. At the time, Social Security's cash assistance for the needy program was paying \$30 million a year to fugitive felons.

Note: Today's report will be available on <http://oig.hhs.gov/> this morning. The report is "Review of Medicare Payments Made on Behalf of Deported Beneficiaries," A-04-01-05004.