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For Immediate Release

Wednesday, June 27, 2001

Grassley Works to Shut Down Medicare, Medicaid Consulting Fraud

WASHINGTON – Health care consultants who teach doctors how to squeeze Medicare and Medicaid for unearned payments are hurting patient care and should be shut down, Sen. Chuck Grassley, a leader of the Committee on Finance, said today.

“There’s an industry based on milking federal health care programs,” Grassley said. “This is bad business. The federal government isn’t anybody’s cash cow. Every tax dollar spent on false billing is a dollar that doesn’t help a truly sick patient. Medicare and Medicaid weren’t designed to make anybody rich. They were designed to keep patients well.”

Grassley’s comments came at a Committee on Finance hearing, “Prescription for Fraud: Consultants Selling Doctors Bad Billing Advice.” Grassley initiated the hearing to air the results of a 13-month undercover operation by the General Accounting Office’s Office of Special of Investigations. The General Accounting Office (GAO) sent undercover operatives to two workshops and one seminar designed to help doctors maximize reimbursement from Medicare and Medicaid. No one knows the full extent of these practices. However, the GAO documented several unsavory, and in some cases, illegal pieces of advice from consultants to doctors, including:

- ◆ Advocating not reporting or refunding overpayments from Medicare and Medicaid after the overpayments are discovered, an illegal practice. One consultant said doctors usually deal with overpayments by “keeping their mouths shut” and “getting on with life.”
- ◆ Encouraging the performance of tests and procedures that are not medically necessary to generate documentation in support of billing at higher rates. A consultant offered the example of a patient visiting a cardiologist, who determines the patient has a minor problem or none at all. The cardiologist then tells the patient to return for a work-up, including tests and a medical history. The cardiologist then can bill for a complex problem that he or she knew didn’t exist.
- ◆ Suggesting that providers discourage patients with low-paying insurance plans, such as Medicaid, from using their services by limiting offered services and scheduling appointments for such patients at inconvenient times. One consultant advised reserving the “best” time slots for the best payers.

Grassley said the evidence of consultants encouraging fraud is disturbing, especially in light of the financial demands on the federal health care system. For Fiscal Year 2000, Medicare alone paid \$11.9 billion in improper payments. “Consultants are throwing gasoline on the fire with their advice to cheat,” Grassley said.

Grassley said the General Accounting Office will refer any evidence of illegal activity by consultants to the Health and Human Services Inspector General. He has asked the Inspector General to keep him informed of its findings and conclusions and encouraged greater enforcement.

“I want to send a message loud and clear to these fraud-advocating health care consultants,” Grassley said. “This behavior is unethical, it’s illegal, and it’s intolerable. If you’re a bad actor, see the light and clean up your act or risk getting caught.”