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Press_Office@finance-rep.senate.gov

MEMORANDUM

TO: Reporters and Editors
FR: Jill Kozeny, 202/224-1308
RE: Medicare Supplier Improper Billing
DA: March 6, 2007

Sen. Chuck Grassley, Ranking Member of the Committee on Finance, issued the statement below about a new report by the Government Accountability Office titled: **MEDICARE Improvements Needed to Address Improper Payments for Medical Equipment and Supplies (GAO-07-59)**. Sen. Grassley requested this report as part of his ongoing oversight of Medicare spending and program administration. The Government Accountability Office recommends in its report that the Centers for Medicare and Medicaid Services require its contractors to develop automated prepayment controls to identify potentially improper claims when supplier billing reaches atypical levels and consider adopting the most cost-effective controls of other contractors.

Sen. Grassley's comment:

“This report underscores the need for Medicare program officials to make sure the contractors are doing their jobs. By pro-actively identifying suspicious billing, dishonest suppliers can be caught and the fraud stopped before even more money is scammed. Most suppliers of medical equipment like leg braces and glucose test strips are honest, but the bad actors cost the program \$700 million every year.”

A pdf copy of the report is attached to this memo.