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BIPARTISAN FINANCE COMMITTEE MEMBERS RELEASE RECOMMENDATIONS TO COMBAT WASTE, FRAUD & ABUSE IN MEDICARE & MEDICAID

Comprehensive Report Outlines Proposals from More Than 160 Stakeholders in Health Care Community

Washington, DC – Today, six current and former members of the Senate Finance Committee, led by Ranking Member Orrin Hatch (R-Utah) and Chairman Max Baucus (D-Mont.), released a comprehensive report outlining recommendations from more than 160 stakeholders in the health care community on ways to improve federal efforts to combat waste, fraud and abuse in the Medicare and Medicaid programs. Joining Hatch and Baucus on the report are Senators Tom Coburn (R-Okla.), Ron Wyden (D-Ore.), Chuck Grassley (R-Iowa), and Tom Carper (D-Del.).

“The more waste, fraud and abuse in Medicare and Medicaid, the less faith the American people have that these two programs are able to work for them. We can learn a lot from the private sector about how to better root out fraud and abuse in our health care system. Working together, we can and will find ways to make Medicare and Medicaid work more efficiently and effectively for the millions of Americans who rely on them,” Senator Hatch said. **“This report incorporates ideas and recommendations from 164 health care experts from across the country and provides a strong foundation to build on as we work on legislative solutions to make Medicare and Medicaid work better and smarter for the people these programs serve, all while saving the taxpayer money.”**

“Medicare and Medicaid fraud is a serious problem, costing taxpayers tens of billions of dollars every year. It must be stopped,” Senator Baucus said. **“This report will be a valuable tool in our continuing efforts to combat waste, fraud and abuse in America’s health care system. We received close to 2,000 pages of input and ideas from the nation’s health care community, offering real common sense solutions. Now we must take these ideas and put them to work and strengthen Medicare and Medicaid, ensuring the programs continue to care for those they serve.”**

“Every dollar that goes to waste, fraud or abuse doesn’t help a Medicare or Medicaid beneficiary,” Senator Grassley said. **“Recommendations from the experts in the field are key toward shutting down sources of waste, fraud, abuse and inefficiency. We need all hands on deck to protect every dollar in these programs.”**

“Now more than ever, it’s critical that we ensure the proper use of taxpayer funds so that our federal programs, particularly our critical safety net programs like Medicare and Medicaid, are not losing money from waste, fraud and abuse,” Senator Carper said. **“By bringing together health experts in the private and public sectors, we can share information and best practices to implement common-sense strategies and proven preventive measures to help curb waste, stop fraud, improve efficiency and save scarce taxpayer dollars within Medicare and Medicaid. We received scores of submissions from healthcare providers and the broader healthcare community and I appreciate the strong level of participation in this important initiative. Moving forward, I will continue to work with my colleagues in Congress, the Administration, and our partners in the private and public sectors to explore these solutions and others as part of our ongoing effort to protect taxpayer dollars and improve our nation’s healthcare system.”**

“This report represents what can be accomplished when Senators work together with the private sector – good ideas and policies to not only strengthen and improve Medicare and Medicaid but also to eliminate waste, fraud and abuse,” Senator Wyden said. “I look forward to working with my colleagues to address the issues raised by this report.”

“Last spring I joined with colleagues in asking members of the health care community to provide us with their best ideas for streamlining and strengthening federal efforts to curb waste, fraud, and abuse in Medicare and Medicaid. Members of the health care community offered hundreds of pages of good, actionable, common-sense ideas, and I plan to continue working with my colleagues in a bipartisan manner to improve federal efforts in this area,” Dr. Coburn said. “Evidence from the Government Accountability Office and the Inspector General’s Office at HHS has shown some federally-funded program integrity efforts are failing to achieve the aims they were designed to achieve, while others are even losing money. With Medicare facing insolvency and Medicaid consuming increasing amounts of state dollars, Congress has a duty to ensure federal program integrity efforts to reduce waste and fraud are effective and efficient.”

Last May, this bipartisan group of lawmakers [invited](#) interested stakeholders to submit white papers offering recommendations and innovative solutions to improve program integrity efforts, strengthen payment reforms and enhance fraud and abuse enforcement efforts. Today’s report highlights a number of proposals and recommendations that were submitted by a variety of individual health care professionals, corporate stakeholders and associations.

Some illustrative recommendations include:

- Increasing federal funding of state Medicaid anti-fraud activities;
- Eliminating duplication and redundancy in Federal and state Medicare/Medicaid anti-fraud programs (both specific programs and generally);
- Changing certain Medicare payment policies that, through disparate pricing issues, lead to fraud, waste and abuse;
- Ensuring that provider enrollment policies are consistent and utilized effectively;
- Requiring the Centers for Medicare & Medicaid Services (CMS) to use existing statutory authorities (e.g., moratorium, mandatory compliance programs) that they have yet to utilize;
- Clarifying the circumstances in which use of care and the setting for care are appropriate such as when it is appropriate to use inpatient care versus outpatient;
- Making numerous process changes to how the various CMS audit contractors operate to ensure they are doing so efficiently and effectively;
- Balancing the incentives for Medicare contractors to identify overpayments with penalties for contractors whose findings are overturned on appeal through the CMS administrative process; and
- Creating an advisory panel to provide clinical input as a component of contractor oversight.

The Senate Finance Committee has jurisdiction over the Medicare and Medicaid programs. During the 113th Congress, the six Senators plan to work with key committees of jurisdiction, the Government Accountability Office (GAO), the Dept. of Health and Human Services Office of the Inspector General (HHS-OIG) and interested stakeholders to develop a more detailed list of administrative recommendations and potential legislative actions.

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