



NEW YORK STATE SENATOR

George Winner

Winner Appointed Member of Medicaid Fraud Task Force

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Albany, N.Y., February 2 – State Senator George Winner (R-C-I, Elmira) has been appointed as a member of the newly created Senate Republican Task Force on Medicaid Fraud to find out why state taxpayers continue to lose hundreds of millions of dollars to abuse, fraud, and waste in New York’s more than \$50-billion Medicaid system.

Winner said that the urgency of the state’s fiscal crisis demands a renewed focus on the fraud that has plagued the Medicaid system for years. In his proposed 2010-2011 state budget, New York Governor David Paterson increased the state’s target for Medicaid fraud recovery by \$300 million, which Winner said isn’t nearly enough.

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“It’s way past time to put in place a ‘zero tolerance’ policy to combat the millions upon millions of dollars of taxpayer dollars being lost to Medicaid fraud and waste,” said Winner. “We need to determine, once and for all, why we can’t put a stop to the scams and rip-offs that still define this system. New York government has a responsibility to eliminate abuse and waste and we know that the Medicaid system remains a prime target.”

Winner said that the task force will hold public hearings and issue recommendations prior to the April 1st deadline for adopting a new state budget.

A long-time Medicaid reform advocate, Winner cosponsored legislation in 2006 that established a new state Office of Medicaid Inspector General (OMIG). That new law reorganized the state's process for combating fraud and abuse within the Medicaid program to both recover improper expenditures and prosecute criminal acts. It was a move that Winner and other supporters believed could potentially produce as much as \$2 billion in annual taxpayer savings and greatly improve the accountability, integrity, and quality of the system as a whole.

Winner said that while the OMIG over the past three years has helped New York undertake some stepped-up fraud and abuse recovery efforts, there haven’t been enough of them. As late as last December, for example, the state comptroller’s office released audits showing nearly \$100 million in Medicaid overpayments, billing errors, and other problems.

A report issued last month by the U.S. Department of Health and Human Services ranks New York 26th in the nation in Medicaid fraud recovery, based on the number of fraud dollars recovered per federal Medicaid dollar spent. According to the report, states such as Missouri and North Carolina recover about three times as much in Medicaid fraud, while six other states recover twice as much as New York.

"It's time for a bare-knuckles effort to repossess the potentially billions of state dollars being lost to abuse, fraud, and waste," said Winner. "If not now, when? It's time to kick this effort into high gear."

Despite the fact that they are on the front lines of the Medicaid program, county officials are saying the state inhibits their efforts to stop fraud at the local level. In fact, the 2009-10 state budget enacted by Paterson and the Democratic leaders of the Legislature last April eliminated the eligibility requirements for face-to-face interviews, finger-imaging and asset tests for applicants for Medicaid that are conducted by counties. The interviews are intended to ensure accountability in the system, but will no longer be required as of April 2010.

Chemung County Executive Tom Santulli, who also currently serves as president of the New York Association of Counties, said, "We need to have all levels of government working together so that scarce public funds are used as they are intended to be. Our counties know what works in the program and what doesn't, and there may be areas of fraud and abuse. Recently, New York City and forty-two New York counties obtained a victory in federal court against 13 pharmaceutical manufacturers for fraudulent pricing through the Medicaid program. These types of actions continue to demonstrate the relevance and importance of county governments insuring the integrity of the Medicaid program in New York."