



NEW YORK STATE SENATOR

Hugh T. Farley

Senator Farley Joins New Medicaid Fraud Task Force

HUGH T. FARLEY February 2, 2010

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State Senator Hugh T. Farley (R, C, I - Schenectady) announces the formation of the new Senate Republican Task Force on Medicaid Fraud.

"Medicaid fraud continues to drive up spending and taxes at both the State and the local levels," Senator Farley said. "Medicaid waste is a critical issue to my constituents and, therefore, I asked to be a member of this task force to help identify solutions to this problem."

Senator Farley said the task force has the goal of finding ways to effectively deliver service to seniors and those who are in utmost need, while finding solutions to help root out fraud and abuse.

Senator Farley said he has already heard from local county officials about amendments enacted in the current 2009-2010 State Budget that provided for the elimination of 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, and this has local officials extremely concerned.

"If interviews are to be conducted over the phone and not in person, how can we be sure identity theft and impersonation are not going on?" Senator Farley asked. "This elimination is one of the numerous reasons why I voted "no" on the State budget last year."

In December, the State Comptroller released the results of an audit that identified as much as \$92 million in Medicaid overpayments, billing errors and other problems. In addition, a 2008 report cited an audit by the State Comptroller which determined that nearly 30,000 people in New York City alone were improperly enrolled in the State's Medicaid system between November 2006 and November 2007. While the audit shows that almost 13,000 former New York City residents should have been investigated for violations of the State's Medicaid laws, only 207 cases were investigated.

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.

A report last fall by the federal Government Accountability Office (GAO) focused on Medicaid fraud related to prescription medication. The GAO faulted New York for "not having a comprehensive fraud prevention framework to prevent fraud and abuse of controlled substances paid for by Medicaid. The report concluded that the cost associated with Medicaid fraud and abuse of controlled substances may be more than the cost of legal prescription drug purchases covered by Medicaid.

"We have got to do better than this," Senator Farley said. "The findings of this new task force will help us find ways to reduce or eliminate the costs associated with Medicaid fraud and abuse."

The task force will hold hearings this month in Albany and issue recommendations prior to the April 1st budget deadline. Along with Senator Farley, the task force includes Senator Kemp Hannon (Garden City), who will serve as Chair, and Senators George Winner (Elmira), Charles Fuschillo (Merrick), Michael Nozzolio (Fayette), Mike Ranzenhofer (Amherst), Martin Golden (Brooklyn) and Vincent Leibell (Patterson).