



NEW YORK STATE SENATOR

Frank Padavan

Padavan, Senate Republicans Present Proposals Aimed At Reducing Medicaid Fraud, Waste and Abuse

FRANK PADAVAN March 19, 2010

New York State Senator Frank Padavan (Queens) and his Senate Republican colleagues today unveiled a comprehensive report and set of proposals aimed at combating fraud, waste and abuse in New York State's Medicaid program.

"The methods individuals use to fraudulently bilk money from Medicaid is an ever-evolving and a constantly moving target," Padavan said. "Being proactive and frequently instituting new measures and new technology to fight fraud, waste and abuse in Medicaid is vital to protect taxpayers and the money put into the program. This plan refocuses and renews our efforts to take on real fraud in Medicaid."

"Dealing with the complexities and bureaucracy in Medicaid calls for proposals that get to the core of the problems that leave it ripe for fraud, waste and abuse," Padavan said. "Today we are presenting proposals that seek to address this problem from all angles and perspectives and take it out at its root."

New York spends roughly \$1 billion a week for an annual total of \$52 billion in the Medicaid program. Total spending in Medicaid is 70 percent more than the national average and more than California and Texas combined. Absent any action taken by the State Legislature,

projections indicate Medicaid spending in New York to increase to 37 percent over the next four fiscal years. These increases would add another \$5 billion to New York's budget deficit.

In 2006, Padavan lead the fight to pass legislation that established the Office of the Medicaid Inspector General (OMIG). The OMIG is an independent state agency that was created by consolidating the duties, responsibilities and staff from eight separate state agencies into one new office within the NYS Department of Health. The proposals presented today build upon the establishment of the OMIG and follow a six week long review by the Senate Republican Taskforce On Medicaid Fraud and Medicaid Reform which sought input from a wide array of bipartisan stakeholders including district attorney's, county executives and state and local government officials who deal with the Medicaid program. Additionally, a 2006 law capped the growth in the county share of Medicaid cost.

While fraud, waste and abuse has cost New York's taxpayers billions of dollars, Governor Paterson and Legislative Democrats have passed and instituted legislation that runs counter to ant-fraud efforts proposed by Padavan and Senate Republican. The 2009-2010 State Budget supported by Paterson, Assembly Democrats and Senate Democrats included the elimination of face-to-face interviews, finger-imaging and asset tests as eligibility requirements for Medicaid applicants.

Among the initiatives included in the report are:

- Authorizing the referral of all fraud cases to local district attorneys, at their request to reduce the time it takes to prosecute fraud while permitting counties to keep a portion of fraud recoveries they obtain;
- Allowing counties to access the Medicaid Data warehouse to better detect fraud or overutilization of services;

- Restating asset and resource test for Medicaid eligibility determination and to include the local department of Social Services fraud unit in the application process.
- Requiring recipients to choose a primary doctor and primary pharmacist, similar to managed care plans and as a result eliminate the practice of “doctor shopping”;
- Allowing elected comptrollers, treasurers or other appointed officials to audit Medicaid claims; and
- Requiring credit report and a Real Property Tax Search for all applicants;
- Preventing individuals from being forced to other counties or states for long-term care.

“These proposals are a framework for solutions that should be included in the upcoming budget,” Padavan said. “Not only will they be effective in the short term providing savings, but in the long term New York will be able to reign in Medicaid spending making it more effective and accountable to both recipients of the benefits and New York’s hardworking taxpayers.”