



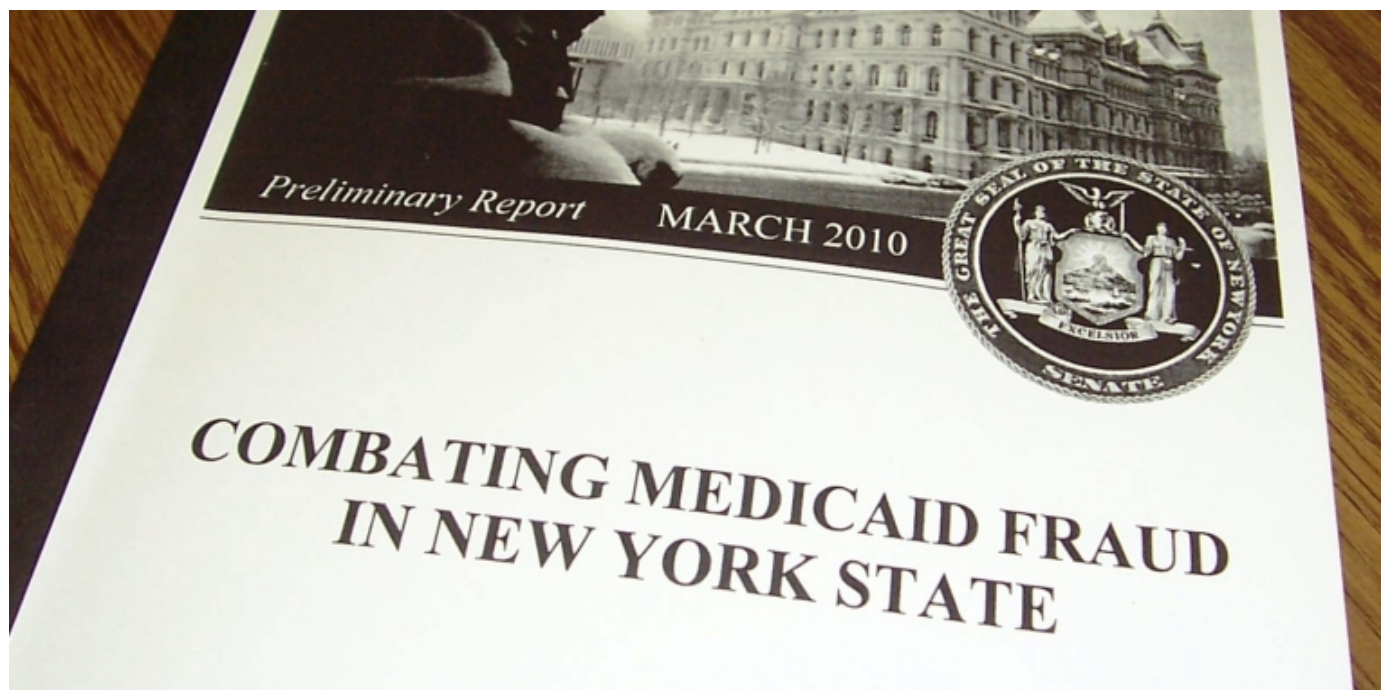
NEW YORK STATE SENATOR

James L. Seward

Save Now - \$500 million in Medicaid Reforms

JAMES L. SEWARD March 16, 2010

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ALBANY, 03/17/10 – State Senator James L. Seward (R/C/I- Oneonta) today joined senate colleagues in announcing results of a preliminary report on Medicaid fraud in New York along with specific proposals to save half a billion dollars in the 2010-2011 fiscal year.

“New York’s Medicaid program is immense and is full of opportunities for fraud, waste and abuse,” said Senator Seward. **“At a time when the state’s economy is reeling, we must shore up the system and crack down on those who are ripping off the state, and in turn taking money out of honest taxpayers’ pockets.”**

A specially formed Senate Republican Task Force on Medicaid Fraud held several public hearings over the past month and worked with county district attorneys, county executives and other experts to devise a list of recommendations. Among them:

Substitute less expensive generic drugs for name brands when possible;

Allow local district attorneys to prosecute Medicaid fraud cases;

Reinstate the use of finger imaging, face to face interviews and asset/resource tests to determine eligibility;

Allow counties access to the state Medicaid data warehouse to uncover billing patterns that may suggest fraud or the overutilization of services;

Empower counties to recover and keep tax dollars lost to Medicaid fraud and waste.

“Along with arresting and prosecuting those who scam the system, we need to mitigate the opportunity for abuse. We can start by giving counties back the tools they need to crack down on fraud and abuse and give prosecutors the authority to go after criminals who are stealing our tax dollars,” Seward added.

The Medicaid program represents the largest single component of the state’s budget, projected to cost more than \$52.5 billion in 2010. New York spends 70 percent more than the national average on Medicaid; more than California and Texas combined.

"New York’s Medicaid program is larger than the total budgets of forty-three other states. In less than ten years our Medicaid enrollment has jumped from 2.7 million in 2000 to 4.4 million in 2009. The program is becoming unsustainable and fundamental reforms must be enacted before it spirals out of control," said Seward.

Senator Seward has long been at the forefront of efforts to reform Medicaid to achieve significant savings for taxpayers, and won passage of a 2006 law that capped the growth in the county share of Medicaid costs, saving counties hundreds of millions of dollars.

Additional legislation passed in 2006 created a new, independent office of Medicaid inspector

general, created new health care fraud offenses and established new information sharing protocols to assist fraud investigations.

In compiling the report on Medicaid fraud, members of the task force collected testimony and background information detailing a slew of scams and deceptions. In one instance a woman claimed \$60,000 in Medicaid benefits despite having \$400,00 in the bank, several luxury cars, a million dollar home, two properties in Florida and a business. Another example focused on a Brooklyn dentist who billed Medicaid for 991 procedures in a single day, even pulling and filling all 32 teeth on one patient. Also cited was, a physician who prescribed \$11.5 million worth of a synthetic hormone popular with bodybuilders.

“New York must do a better job at rooting out the fraud and abuse this report has brought to light. By halting the waste we can reduce state spending and ease the burden on local taxpayers while ensuring those in need receive fundamental health services.

“The report recommendations need to be included as part of this year’s budget negotiations. The potential savings may help keep teachers in our classrooms, save our state parks and preserve vital health programs,” Seward concluded.