



NEW YORK STATE SENATOR

John A. DeFrancisco

Senate Passes Bill Requiring Implementation of Biometric Technology to Crack Down on Medicaid Fraud

JOHN A. DEFRANCISCO June 20, 2011

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Senator John A. DeFrancisco (R-I-C Syracuse) announced that the New York State Senate today passed a bill that he co-sponsored (S4384B), which would require the Department of Health, in consultation with the Office of the Medicaid Inspector General and the Office of the Attorney General, to implement a program requiring the use of biometric technology to help prevent Medicaid fraud.

New York will spend more than \$54 billion dollars this year on Medicaid, and experts estimate that as much as \$5 billion will be spent on fraudulent services and claims. The goal of this bill would be to reduce Medicaid expenditures by eliminating fraud and abuse through technology. The bill would require that the costs of the program be offset by the savings that result from its implementation.

“With the budget shortfalls our state is facing, particularly in healthcare, we must aggressively pursue recovery of the billions of dollars lost in fraud each year,” said Senator DeFrancisco. “There are many types of biometric technologies available that can be inexpensively implemented to address this fraud and save New York billions of dollars, without reducing the quality of care for those who need it.”

The bill would require the solution chosen to be results-oriented and would not focus on a specific solution. The State would be allowed to consider a variety of solutions that have been developed, including DNA, fingerprints, eye retinas and irises, voice patterns, facial patterns and hand measurements for authentication purposes.

The identification issued to Medicaid recipients and providers would contain biometric markers for verification that a recipient is eligible for the service requested, and would confirm that the provider actually provides the service. Such identification could be made at the beginning and end of a transaction before payment is made, instead of relying on the current system where law enforcement and court action is required to recoup improper Medicaid payments after they have been made.

“Requiring recipients and providers of Medicaid to verify that they are participants in the Medicaid system that is being funded by taxpayer dollars is a very reasonable request, in light of the fact that so much fraud is committed on taxpayers through Medicaid each year. It can also insure that one person does not receive multiple benefits under the same name,” concluded Senator DeFrancisco.