



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Fuschillo Legislation to Combat Medicaid Fraud Passed by Senate

CHARLES J. FUSCHILLO JR. March 21, 2012

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Legislation Would Allow County District Attorneys to Work with State in Prosecuting Cases of Medicaid Fraud

Senator Charles J. Fuschillo, Jr. (R-Merrick) today announced that legislation he sponsors to save taxpayer dollars through increased prosecution of Medicaid fraud has been passed by the Senate.

The legislation (S594) would allow the State's Office of Medicaid Inspector General (OMIG) to refer Medicaid fraud cases to local district attorneys for prosecution.

"Billions of taxpayer dollars are being stolen every year through Medicaid fraud. Law enforcement needs every possible tool to recover those funds and prosecute the criminals who steal them. Allowing suspected Medicaid fraud cases to be referred to local district attorneys would lead to more prosecutions, greater enforcement, and savings for taxpayers. The Assembly should join the Senate in approving this legislation," said Senator Fuschillo.

Under current law, county Departments of Social Services (DSS) must refer cases of suspected Medicaid fraud to the OMIG. Cases are then prosecuted by the State Attorney General's office. Local district attorneys, who already work in conjunction with their county's DSS and are often located only a short distance away, cannot receive referrals from

OMIG to prosecute Medicaid fraud in their own county.

As an example, Nassau County DSS is authorized by OMIG to investigate cases of Medicaid provider fraud. DSS must turn over its findings to OMIG in Albany. OMIG then refers the case to Attorney General's Medicaid Fraud Control Unit for prosecution. The unit which covers Nassau County is located in Hauppauge, in Suffolk County, nearly 40 minutes away. OMIG is prohibited from referring suspected Medicaid Fraud cases to the Nassau County District Attorney's office, which is located just three miles from DSS.

Under Senator Fuschillo's legislation, OMIG could refer cases of suspected Medicaid fraud to local district attorneys for prosecution. This would create an additional enforcement tool that would help increase the number of Medicaid fraud prosecutions, saving money for both the state and individual counties. It would also free up resources at the Attorney General's office which could be used to prosecute additional crimes.

Medicaid is one of the state's largest expenditures. At over \$52.8 billion in the current fiscal year, Medicaid spending accounts for one-third of the entire state budget. A report issued by the Senate Republican Task Force on Medicaid Fraud in 2010 stated that Medicaid fraud accounts for between three and ten percent of all Medicaid expenses, meaning that Medicaid fraud could be costing State taxpayers as much as \$5 billion each year.

"Medicaid fraud victimizes every New Yorker, and this legislation will give district attorneys better tools to protect taxpayers and bring these scam artists to justice," said Nassau County District Attorney Kathleen Rice. " Medicaid helps the most vulnerable members of our communities receive access to essential healthcare services and I am proud to stand with Senator Fuschillo to protect this critical program from abuse."

The legislation has been sent to the Assembly.