



NEW YORK STATE SENATOR

Mark Grisanti

Senator Grisanti introduces new Medicaid fraud technology that will save taxpayers \$5 billion

MARK GRISANTI May 10, 2012

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Senator Mark Grisanti today unveiled new biometric technology during a midday press conference that will combat Medicaid fraud in New York State.

Grisanti's co-sponsorship of bill S.4384 establishes the Medicaid identification and anti-fraud technology program utilizing the science of measuring human body characteristics like fingerprinting for authentication purposes.

This legislation will require the Department of Health to develop and implement a program using biometric technologies in hospitals, clinics and pharmacies for the purpose of fighting fraud in the Medicaid program by having patients and providers verify their identity prior to payment being made.

New York will spend over \$54 billion dollars on Medicaid this year and it is estimated that as much as 10% or over \$5 billion is wasted on fraudulent services and claims.

With the use of biometric technology that measures and analyzes such human body characteristics as DNA, fingerprints, eye retinas, voice patterns, and hand movements, the State could save as much as \$5 billion by ensuring proper identification is made at the start and end of the transaction.

“I am pleased to not only co-sponsor this bill but to also introduce new technology from a local company that can implement biometric technology in the Medicaid program and bring massive fraud to a halt while creating jobs here locally,” said Senator Grisanti.

With strong verification and authentication measures, fraudulent Medicaid payments for services will stop at the point of service rather than the present method of “pay and chase” that has become common.

“It is extremely important in light of our present fiscal situation that every effort is made to safeguard the integrity of the Medicaid program. This legislation will not only protect those who are legitimately eligible for Medicaid benefits but it will also use all modern tools available to stop fraud,” said Senator Grisanti.

Local Medicaid recipients would be registered at a local social services office and then receives a card with the biometric information stored on it. The Medicaid card will have

access to network software which will log healthcare visits for Medicaid recipients. The card will allow healthcare providers and pharmacy staff to identify cardholders. It will also verify the Medicaid participant's eligibility and coverage in the program.

Evaluation and selection of an identity credentialing system that addresses the needs of Medicaid and providers shall be based on the ability to meet criteria including security, privacy, usability, performance, hygiene, biometric capture and storage requirements and interoperability.

This bill passed in the Senate in 2011, but died in the Assembly.

The bill has been re-introduced in the Senate Health Committee for 2012. The "same-as" bill in the Assembly is sponsored by Assemblywoman Naomi Rivera who represents the neighborhoods of Van Nest, Morris Park, Pelham Parkway, Pelham Gardens, Pelham Bay, Allerton, Norwood, and Van Cortlandt Village in the Bronx in New York City.