



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senate Passes Senator Fuschillo's Legislation to Combat Medicaid Fraud

CHARLES J. FUSCHILLO JR. March 21, 2013

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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 the New York State Senate passed legislation he sponsors to improve law enforcement's ability to prosecute Medicaid fraud and recover taxpayer dollars.

The legislation (S773) would allow the State's Office of Medicaid Inspector General (OMIG) to refer Medicaid fraud cases to local district attorneys for prosecution.

"Medicaid fraud is costing New York State as much as \$5 billion a year. There is no reason not to give law enforcement greater resources to aggressively prosecute the criminals who are stealing from taxpayers, especially in this economy where every dollar counts. Allowing OMIG to utilize local district attorneys for Medicaid fraud prosecution would lead to greater enforcement of the law and savings for taxpayers," said Senator Fuschillo.

"This legislation clarifies existing law so that local prosecutors can more efficiently and effectively prosecute those medical professionals who pad their wallets by abusing this essential healthcare program," said Nassau County District Attorney Kathleen Rice. "District

Attorneys are on the front line in the fight against waste, fraud, and abuse, and I applaud the Senate's passage of this important legislation."

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.

Senator Fuschillo's legislation would allow OMIG to 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 \$54 billion in the current fiscal year, Medicaid spending accounts for approximately 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, which is nearly \$100 million a week.