



NEW YORK STATE SENATOR

Thomas F. O'Mara

O'Mara: Medicaid fraud still costs taxpayers millions

THOMAS F. O'MARA May 31, 2013

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Albany, N.Y., May 31—The State Senate has unanimously approved legislation co-sponsored by Senator Tom O'Mara (R,C-Big Flats) to continue efforts to combat abuse, fraud and waste in New York's \$54-billion-plus system of Medicaid.

"It's a sad commentary to keep reading story after story that Medicaid fraud still costs taxpayers millions upon millions of dollars. We continue to have a mismanaged Medicaid system, and the fraud goes on. Something needs to change," O'Mara said. "Huge amounts of upstate tax dollars go to support vast Medicaid spending statewide, especially in New York City, and we deserve better than to keep footing the bill for mismanagement, misspending, fraud and waste."

Specifically the legislation (S.2617/A.5042) would enhance the incentive for counties to identify and prosecute Medicaid fraud. Current state law limits the amounts that local governments are reimbursed for successfully prosecuting Medicaid fraud cases. Under the Senate-approved measure, local governments would keep 100% of the local share of any successful Medicaid fraud prosecution or settlement, or 10% of the total recovery, whichever amount is greater. Since the local share on some programs may be very small, O'Mara stressed the importance of guaranteeing local governments at least 10% of any recovery, including settlement. The state would receive the balance of recoveries.

The legislation must be approved by the Assembly and then signed by Governor Andrew Cuomo before becoming law. It's currently in the Assembly Health Committee.

O'Mara said that reports throughout the past year continue to show that despite years of legislative efforts to root out abuse, fraud and waste in New York's Medicaid system – efforts that included the creation of the Office of Medicaid Inspector General itself seven years ago – not enough is being done. He pointed to a report in the New York Post in February, for example, revealing that New York City's Medicaid fraud detection program costs taxpayers \$4 million more than it has recovered in misspent funds.

O'Mara also sponsors legislation (S.3284) to encourage the more widespread, statewide use of data-mining computer software developed by the Horseheads-based Salient Corporation that's proven successful at identifying fraud and other abuses and inefficiencies, and can point the way toward strengthening the overall management of New York's Medicaid system.

"How can these inefficiencies and failings in the administration of the Medicaid system itself still exist? It's outrageous that taxpayer dollars continue to be ripped off and wasted at a time when we have the technology and the tools to begin fixing it once and for all," said O'Mara.