



NEW YORK STATE SENATOR

Thomas F. O'Mara

Senate approves legislation targeting Medicaid fraud

THOMAS F. O'MARA June 13, 2014

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Albany, N.Y., June 12 —The State Senate today 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.

At a legislative budget hearing in Albany earlier this year, the state's Medicaid Inspector General, James Cox, highlighted the importance of local efforts to further combat and prevent abuses of the New York's system of Medicaid.

"We need to restore the financial incentive for local governments to root out Medicaid abuse, fraud and waste. This legislation would achieve this important goal. It represents another way to incentivize Medicaid fraud investigations and prosecutions at the local level," said

O'Mara.

Specifically the legislation (S.2617/A.5042) would enhance the incentive for counties to identify and prosecute Medicaid fraud. Currently the state 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 continue to show that despite years of legislative efforts to rid New York's Medicaid system of abuse, fraud and waste – efforts that included the creation of the Office of Medicaid Inspector General itself seven years ago – not enough is being done.