



NEW YORK STATE SENATOR

Betty Little

Little: Medicaid Reform Needed to Address Budget Crisis

BETTY LITTLE March 17, 2010

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LITTLE: MEDICAID REFORM NEEDED TO ADDRESS BUDGET CRISIS

State Senator Betty Little joined her Republican Senate colleagues at an Albany press conference today to announce a sweeping set of reforms to prevent Medicaid fraud and waste which costs state and local taxpayers hundreds of millions of dollars annually.

The recommendations are included in a comprehensive report, "Combating Medicaid Fraud

in New York State” authored by the Senate Republican Medicaid Task Force. Officials across the state, including Warren County District Attorney Kate Hogan, contributed testimony and made suggestions to reform Medicaid enforcement to better prevent and prosecute fraud at the local level.

“The governor has asked for ideas to save money during this budget crisis. This report contains many smart suggestions and implementing just a few would do a lot to mitigate the exponential growth in this program and save tax dollars that are otherwise being wasted.”

The report recommends authorizing the referral of all fraud cases to local district attorneys, which they have requested, in order to reduce the amount of time it takes to prosecute fraud, while permitting counties to keep a portion of all fraud recoveries they obtain.

The Task Force report also recommends allowing counties to have access to the State Medicaid Data warehouse so they may use additional information to uncover billing patterns that may suggest fraud or the overutilization of services. The Task Force calls for creation of a new automated system to alert counties when their residents become incarcerated, and therefore, ineligible for Medicaid.

Additional recommendations include: requiring recipients to choose a primary doctor and a primary pharmacist, similar to managed care plans; allowing elected comptrollers, treasurers, or other appointed officials to audit Medicaid claims; and preventing individuals from being forced to go to other counties or states for long-term care.

The 2009-10 state budget approved by the Governor and legislative Democrats eliminated the eligibility requirements for face-to-face interviews, finger-imaging and asset tests for applicants for Medicaid that are conducted by counties. Senate Republicans have argued this removes an important step to prevent abuse from occurring.

Members of the Task Force collected testimony and background information detailing the

extent of Medicaid fraud in New York, including a Brooklyn dentist who billed Medicaid for 991 procedures in a single day -- even pulling and filling all 32 teeth on one patient -- as well as a physician who prescribed \$11.5 million worth of a synthetic hormone popular with bodybuilders.

In addition, Medicaid was billed 153 times by an ambulance company that transported a single passenger two to three times a week to the doctor for an entire year. Typically, Medicaid covers up to \$31 dollars each way for ambulance rides, however, in many of these instances the State paid for a ride that never took place. Out of all 50 states, New York spent the most on transporting patients to hospital and doctor's appointments, approximately \$316 million in one year alone.

Overall Medicaid program expenditures in New York total nearly \$52 billion a year. If no action is taken to restrain the program, Medicaid expenditures are expected to grow 37 percent over the next four years, adding another \$5 billion to the projected budget deficit.