



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo: State Could Save Additional \$500 Million in Taxpayer Dollars by Adopting New Anti-Medicaid Fraud Measures

CHARLES J. FUSCHILLO JR. March 19, 2010

| ISSUE: **MEDICAID**

New York State Senator Charles J. Fuschillo, Jr. (R-Merrick) is calling for the adoption of new anti-Medicaid fraud measures which would save the state up to \$500 million a year in taxpayer dollars. The measures would empower localities to boost their own Medicaid fraud efforts and more aggressively combat waste in the system.

The recommendations were developed by the Senate Republican Task Force on Medicaid Fraud. Senator Fuschillo was a member of the task force, which was chaired by Senator Kemp Hannon (R-Garden City). “Medicaid fraud costs taxpayers billions of dollars each year. New York State needs to do more to recover these tax dollars and make sure that they are being spent appropriately, not lost to fraud. These reforms should be adopted so that New York State can further prosecute Medicaid fraud and ensure that the only ones benefiting from Medicaid are the ones who truly need it,” said Senator Fuschillo.

Although New York State spends nearly \$52 billion a year on Medicaid, more than the states of California and Texas combined, it ranks 26th in the nation in Medicaid fraud recovery based on the number of fraud dollars recovered per federal Medicaid dollar spent, according to a report issued by the U.S. Department of Health and Human Services. The report also notes that states such as Missouri and North Carolina recover about three times as much in Medicaid fraud, while six other states recover twice as much as New York. Among the recommended anti-fraud measures are those that would give localities greater power to help uncover Medicaid fraud by allowing fraud cases to be referred to local district attorneys for prosecution if they request them. Under the plan, counties would be permitted to keep a portion of all fraud recoveries they obtain.

Another important reform would put anti-fraud safeguards back in place which were removed by Governor Paterson and legislative Democrats last year. Localities would again be allowed to review Medicaid recipients’ income and assets to determine Medicaid eligibility and include the local Department of Social Services Fraud unit as part of the application process.

In addition, counties would also have access to the State Medicaid data warehouse so they can use additional information to uncover billing patterns that may suggest fraud or the overutilization of services. Localities would have the ability to perform credit checks and property searches on Medicaid applicants to prevent fraud. Elected comptrollers, treasurers, or other appointed officials would also be allowed to audit Medicaid claims.

Other cost saving measures would include substituting less expensive generic drugs for name brands wherever possible and requiring recipients to choose a primary doctor and a primary pharmacist, similar to managed care plans.

Senator Fuschillo is calling for the reforms to be included in this year's state budget.

####