



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senate Passes Fuschillo Bill to Help Increase Medicaid Fraud Prosecutions

CHARLES J. FUSCHILLO JR. June 6, 2011

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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 State Senate has passed legislation he sponsors to help generate savings for both the state and individual counties through increased prosecution of Medicaid fraud. The legislation (S594) would allow the State's Office of Medicaid Inspector General (OMIG) to refer Medicaid fraud cases to local district attorneys for prosecution.

"Medicaid fraud costs taxpayers billions of dollars every year. At a time when every dollar counts, every available tool must be used to recover funds that are being stolen through fraud. Allowing local district attorneys to receive referrals of suspected Medicaid fraud cases would enable more cases to be prosecuted and save money for taxpayers," said Senator Fuschillo.

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 a mere 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. Additionally, it would 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 \$52.8 billion this year, Medicaid spending accounts for one-third of the entire state budget. A report issued by the Senate Republican Task Force on Medicaid Fraud last year 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.

Nassau County District Attorney Kathleen Rice, who partnered with Senator Fuschillo in drafting the legislation, said "This bill will mean more prosecutions, more convictions, and more money given back to New York State's taxpayers," Rice said. "Medicaid fraud costs New Yorkers billions of dollars every year, and I applaud Senator Fuschillo and the State Senate for today's vote."

The legislation has been sent to the Assembly.

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