



NEW YORK STATE SENATOR

Michael F. Nozzolio

Senator Nozzolio Announces Legislation to Expand Medicaid Fraud Prosecution Adopted by Senate

MICHAEL F. NOZZOLIO June 8, 2011

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New York State Senator Mike Nozzolio announced that the Senate has adopted legislation he co-sponsored (S.594) that will bring New York State a tremendous step forward in addressing the multi-billion dollar crime of Medicaid fraud. This measure would greatly assist in the recovery of lost Medicaid funds and save the State time and resources by allowing local district attorneys to prosecute Medicaid provider fraud.

“New York State’s current level of spending on Medicaid- over \$1 billion a week- cannot continue. It is critical that we search out and recover every last dollar of Medicaid fraud, waste and abuse to reduce spending and efficiently to provide services to people who are truly in need,” said Senator Nozzolio. “We need to give prosecutors the authority to go after criminals who are stealing billions in tax dollars and give local governments the tools they need to prevent any more fraud from happening. Our local officials know what works in the Medicaid program and what doesn’t, and where there may be areas of fraud and abuse.”

Currently, all cases of Medicaid fraud and abuse by health care providers are referred to the State Attorney General. The legislation adopted by the Senate allows the Office of the Medicaid Inspector General to refer these cases to local district attorneys which then can prosecute provider fraud. The local government will also receive a percentage of the recoveries. This would result in a reduction in the amount of time it takes to prosecute perpetrators, a decrease in the amount of State resources necessary to prosecute cases from Albany, and an increase in the recovery of taxpayer dollars lost to Medicaid fraud.

As a member of the Senate Task Force on Medicaid Fraud, Senator Nozzolio fought during this year’s budget negotiations to take the first steps toward creating a Medicaid program that taxpayers can afford. The final New York State budget reduced Medicaid spending by \$2.8 billion and put a cap in place on future Medicaid expenditures. The legislation adopted by the Senate builds on this success and represents the next step in reforming Medicaid and eliminating fraud.

New York spends over \$52 billion on Medicaid per year, accounting for one-third of the entire State budget. The U.S. Government Accountability Office estimates that as much as 10 percent of all Medicaid expenses are the result of fraud.

“Out-of-control Medicaid spending jeopardizes critically needed funding for other important services and continues to drive up the cost of our local property taxes. I am pleased that my Senate colleagues and I are working with Governor Cuomo to take action to reduce the cost of this program,” said Senator Nozzolio. “By working together, we can implement a cost-effective and efficient method of delivering Medicaid services to our seniors and individuals who are most in need, while also lessening the burden on the taxpayer.”