



NEW YORK STATE SENATOR

Thomas F. O'Mara

O'Mara legislation seeks to bolster local Medicaid fraud investigations ~ also see today's news, 'Schuyler County fights benefit fraud, saves \$1M'

THOMAS F. O'MARA February 27, 2015

| ISSUE: **CONTROLLED SUBSTANCES**



Albany, N.Y., February 27 —State Senator Tom O'Mara (R,C-Big Flats) said today that he is co-sponsoring legislation to restore the incentive for local governments to combat abuse, fraud and waste in New York's \$60-billion-plus system of Medicaid.

Mayors from across the state and representatives of other local leaders have been in Albany this week testifying before the Legislature's fiscal committees on the impact of Governor Cuomo's 2015-16 proposed state budget. Many local officials throughout the Southern Tier and Finger Lakes regions, and statewide, continue to point to Medicaid as their heaviest

financial burden.

[also see today's Elmira Star-Gazette, "[Schuyler County fights benefit fraud, saves \\$1M](#)"]

O'Mara said that reports, including two recent audits by the state comptroller's office, 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 nearly a decade ago – not enough is being done.

[see Senator O'Mara's recent column, "[Medicaid audits remain maddening for taxpayers](#)"]

“We need to restore the financial incentive for local governments to root out Medicaid abuse, fraud and waste. This legislation would help achieve this important goal and hopefully encourage Medicaid fraud investigations and prosecutions at the local level,” said O'Mara.

The state's current Medicaid payment cap that applies to local governments limits the amounts that local governments are reimbursed for successfully prosecuting Medicaid fraud cases. The legislation O'Mara is co-sponsoring (S.3019/A.5113) would restore the financial incentive for counties to identify and prosecute Medicaid fraud. It would authorize local governments to 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.

At a legislative budget hearing last February, the state's then-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.

The legislation is currently in the Senate Social Services Committee. It must be approved by both houses of the Legislature and signed by Governor Andrew Cuomo before becoming law.