



NEW YORK STATE SENATOR

Thomas F. O'Mara

O'Mara co-sponsors legislation to encourage local Medicaid fraud investigations: 'We need to continue to root out Medicaid abuse, fraud and waste'

THOMAS F. O'MARA February 19, 2016

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Elmira, N.Y., February 19 —State Senator Tom O'Mara (R,C,I-Big Flats) announced 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, county executives and other local officials throughout the Southern Tier and Finger Lakes regions, and statewide, continually point to Medicaid as their most burdensome and costly unfunded state mandate.

A report released earlier this year by the New York State Association of Counties (NYSAC), **“Real and Permanent Mandate Relief,”** noted that “counties outside of New York City send \$2.26 billion to the state each year for Medicaid, thereby transferring a significant cost for the program to local property taxpayers, and contributing greatly to the disparity between property taxes in New York State and other states.” According to NYSAC, the local cost of Medicaid and other state mandates are a major reason why property taxes in New York are 80% above the national average.

O’Mara said that in testimony before the Legislature’s fiscal committees in late January, state Medicaid Inspector General Dennis Rosen stressed the importance of local efforts to help combat and prevent the fraud, waste and other abuses that continue to plague a system that, according to the latest enrollment figures, provides benefits to 6.3 million, or nearly one-third, of New York’s residents. Medicaid now costs approximately \$63 billion, fast-approaching one-half of New York’s entire state budget. Furthermore, reports have projected Medicaid enrollment will rise to almost 6.5 million recipients in 2019 at a state cost alone of nearly \$25 billion.

“We need to restore the financial incentive for local governments to continue 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.

The legislation received unanimous Senate approval in 2015 but was never acted on by the Assembly. It must be approved by both houses of the Legislature and signed by Governor Andrew Cuomo before becoming law. It is currently in the Social Services Committee in the Senate, and the Health Committee in the Assembly.

[see the attached article above from the *Hornell Evening Tribune*]