

HEALTH CARE NEWS

Coburn Introduces Legislation to Stop Medicare and Medicaid Fraud

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When it comes to solving the multi-billion-dollar challenge of Medicare and Medicaid fraud, Senator Tom Coburn, Republican of Oklahoma and a physician, has led the way in calling for innovative approaches to fraud prevention. Now he's introduced legislation focused on addressing the problem.

"This act does several things to target fraud. One of the biggest problems we face is providers and suppliers who are banned in one State, but then just jump to another," Coburn said. "So we're going to give the Secretary the ability share information to a greater degree, so we can track and identify providers and suppliers excluded from participation."

The bill, S. 3900, is entitled the "Fighting Fraud and Abuse to Save Taxpayers' Dollars" or "FAST" Act, and was introduced in the House by Republican Rep. Peter Roskam of Illinois. Both attended the White House health summit in the Spring, where Coburn questioned President Barack Obama on a lack of innovation in combating fraud.

Increased Reporting and Penalties

According to Coburn, the current bureaucratic system at the Centers for Medicare and Medicaid Services lacks the secure data-sharing capability to prevent the rising level of fraud. Considering that President Obama's health care law is slated to spend \$2.6 trillion in additional taxpayer dollars over the coming decade, Coburn believes waste and fraud will only increase in the absence of increased information sharing and enforcement.

"I think most of the staffers at CMS aren't happy they're paying out 80-100 billion a year in fraudulent payments," Coburn said. "This is designed to set up new reporting, screening, and information sharing requirements to put a stop to this practice."

Coburn's legislation includes several key anti-fraud proposals, which he maintains can make a significant difference in preventing fraud before it happens. It increases requirements for Medicare Administrative Contractors, calls for a pilot program using universal product numbers on Medicare claim forms, bolsters penalties for illegally distributing beneficiary identification, and prevents providers convicted of fraud from discharging their debts by going into bankruptcy.

“We also require that social security numbers no longer be embedded on a senior’s Medicare card,” Coburn said. “Today, if you steal a Medicare card, you’ve got the social security number too—it’s ripe for identity theft. This is the sort of thing that’s made Medicare fraud so easy.”

Lowering the Percentage of Fraud

Coburn points out that while the private sector has fraud, it’s much closer to 1% of total payments. He says his aim is for government payments to approach that number.

“If we can get closer to 2-3 percent, even down to one percent, it’ll be a huge difference,” Coburn said. “Yes, it’s a financial benefit that approaches the trillion dollar mark over a decade, but it’s also important that we stop paying crooks with the taxpayers’ money.”

According to Devon Herrick, a health policy expert with the National Center for Policy Analysis in Dallas, Texas, the success of Coburn’s proposal will depend on whether other members are willing to stand up on the issue.

“Senator Coburn has some great ideas, but Congress has to develop the political will to follow through with them,” Herrick said. “In the past, one of the biggest impediments to fighting waste, fraud and abuse in Medicare and Medicaid is when politicians intervene on the behalf of constituents, who are abusive service providers and equipment suppliers.”

White House Claims Repeal Would Increase Fraud

For his part, Coburn emphasizes that fraud is not a partisan issue.

“This isn’t about Republican or Democrat,” Coburn said. “No one wants to allow criminals to get away with robbing taxpayers.

Yet the White House has tried to make the case that fraud would increase if, as Coburn and his Republican allies hope, the president’s health care law is repealed. Last week CMS Director Donald Berwick rolled out a proposed rule which would subject healthcare providers to some new screening measures as a way of combatting fraud—prompting Assistant to the President for Special Projects Stephanie Cutter to claim on the White House blog that defunding or repealing Obama’s law “would effectively handicap implementation and enforcement of these new rules that would help crack down on criminals and protect seniors.”

Coburn pronounces that claim “spurious.” He maintains Congress can roll back the law while still moving forward on fraud.

“Repealing this bad law doesn’t repeal rules,” Coburn said. “But those are the kind of claims you have to make when you’re trying to defend something which has already been such an obvious failure.”

ObamaCare Doesn’t Solve Cost Problem

While the White House had claimed cost savings from ending waste and fraud would pay for the entitlement expansion contained within Obama’s law, the Congressional Budget Office recently concluded that cracking down on such improper payments would save only \$6.7 billion dollars over the next decade.

“It’s already readily apparent that this plan doesn’t solve the cost problem,” Coburn said. “The quality of health care in America is good, it just costs too much, and the American people have already learned this approach isn’t a solution.”

Coburn says the experience of his own constituents is informing his response to Obamacare.

“In my state, 90,000 Oklahomans are losing their Medicare Advantage coverage, becoming disadvantaged under this law,” Coburn said. “The way it was constructed, they thought they were saving the painful steps until after the next presidential election, because they didn’t want to have to defend it. But people are already seeing the negative effects, cutting into their livelihoods and leading to dropped employer plans, higher premiums, and higher costs.”

An annual study from Hewitt Associates released on September 26 found that the cost of premiums and out-of-pocket expenses are expected to rise by more than 12% in 2011.

“There was an opportunity here with so many Americans paying attention to actually fix our health care payment system, to make it one with consumer-directed payment instead of government and third party payment,” Coburn said. “Instead, President Obama wanted to cover more people without solving the cost problem. We just saw, for the first time, a cancer drug rejected by Medicare not because it doesn’t work, but because it costs too much. Every government-run system around the world rations care, so we’re only going to see more of this in the future.”