

United States Senate Committee on Finance

MEMORANDUM

To: Reporters and Editors
Re: New report on Medicaid payments for deceased beneficiaries in Florida
Da: Friday, Aug. 12, 2005

In 2001, Sen. Chuck Grassley, chairman of the Finance Committee, and Sen. Max Baucus, ranking member, convened a hearing on improper payments in the federal health care and Social Security programs. Grassley and Baucus asked the Office of Inspector General, Department of Health and Human Services, to look at payment errors, in part focusing on payments on behalf of deceased, deported and incarcerated beneficiaries. Grassley and Baucus asked to be kept informed of similar work in the future. They made the following comment on a report being released today that concludes that Medicaid paid an estimated \$11.6 million for services after death in Florida from Oct. 1, 1998, to Sept. 30, 2001. The report is "Department of Health and Human Services Office of Inspector General -- Audit of Medicaid Payments for Deceased Beneficiaries in Florida," (A-04-03-07029).

Grassley said, "Improper payments are plaguing federal programs and federal-state programs such as Medicaid. Last year the President signed into law our key protections against Social Security fraud, like provisions to crack down on fugitive felons receiving benefits. Today's report shows similar problems with Medicaid. We have to shut off every spigot of waste, fraud, and abuse. Every penny down the drain doesn't help an eligible person. Shutting down payments for services after death should be a quick, easy fix. Agencies need timely communication with each other on a person's death. It seems pretty cut and dried and I look forward to a quick solution."

Baucus said, "The report from HHSOIG reveals startling numbers. Medicaid overpaid millions of dollars to recipients who had already died. Even worse, Medicaid was not prepared to take actions to recover the improper payments. I encourage HHS to act quickly on the OIG's recommendations, so these mistakes will be curtailed in other states."