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## Getting Tough on Fraud and Abuse in Health Care

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*Longest-serving Member of the House of Representatives*  
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On Thursday, the quality of life for millions of Americans will improve. That's the day the Patient's Bill of Rights takes effect, and on that day insurance companies:

- Can't drop your coverage when you get sick;
- Can't discriminate against kids with pre-existing conditions;
- Will begin allowing young adults to stay on their parents' plans up to age 26;
- Must end lifetime limits on coverage and face restricted annual limits;
- Provide in new plans free preventive care like mammograms and immunizations;
- Allow in new plans for a better appeals process on claims;
- Will give enrollees in new plans the right to choose their own doctor.

These are all important modifications that will increase the quality of health care for millions of Americans. Notice what has happened with Medicare Advantage plans because of health reform -- a new Centers for Medicare and Medicaid Services (CMS) report shows in 2011 the cost of those plans will drop while the services offered will improve. As we see the benefits of reform already helping people's physical and economic well-being, there is another, less obvious part of the new law that will also reduce our budget deficit and save Americans billions of dollars: an unprecedented effort to crack down on waste, fraud and abuse.

A Thomson Reuters study estimates the U.S. health care system wastes around \$700 billion a year. Fraud and abuse account one-fifth, between \$125-\$175 billion of that waste. Criminals who raid these programs, not only steal from taxpayers, but they do so at the expense of American seniors and families.

A crackdown on the scoundrels behind Medicare and Medicaid fraud will help cover the costs of health reform, allowing us to keep the services so many American rely on AND reduce the deficit. The Congressional Budget Office estimates that every \$1 invested to fight fraud yields approximately \$1.75 in savings.

Today, the Health Subcommittee of the Committee on Energy and Commerce, on which I serve, will hear from representatives from Health and Human Services (HHS) and CMS on cutting waste, fraud and abuse in Medicare and Medicaid. Their work is critical to both health reform and the future of the U.S.

economy. And the new health care reform law will help us catch crooks with more than 30 new provisions to boost the efforts of CMS, Health and Human Services' Office of the Inspector General (OIG) and the Justice Department. I've worked for years to help investigators in their work. Now, we have a law with teeth and it might scare some bad actors from trying to rob elderly and impoverished Americans.

These reforms include a tactical shift by law enforcement. Right now, pursuit of the perpetrators begins only after the check has gone out, known as "pay and chase." The new law is designed to keep con artists out of the program before they ever get in. By utilizing enhanced background checks for providers, new disclosure requirements and on-site visits, our watch dogs will catch many phonies before the scam ever starts. The new law also requires:

- Stronger rules and sentences for people who commit healthcare fraud;
- Better screening tools to prevent fraud from happening;
- Requirements for providers and suppliers to establish plans on how they will prevent fraud; and
- Enhanced data collection that allows CMS, DOJ, states and other federal health care programs to share information.

Putting muscle behind our top cops does work -- and Southeast Michigan is proof. This July, the work of the Medicare Fraud Strike Force led to the arrests of 94 people who defrauded the Medicare system. Two of these scam artists were from Detroit and were convicted in a \$2.3 million fraud scheme. These people not only broke the law, but they took advantage of the most vulnerable members of our society -- the elderly and poor -- and harmed the programs that are vital to our community.

We have always said an overwhelming majority of Americans citizens will benefit from health care reform, but these reforms will hurt one sector -- crooks and cons. The time for exploiting our system is over.