



Medicaid Program Integrity

The View from the Hill

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The Big Picture...

- **\$400 Billion and Counting** – In 2011 total state and federal Medicaid spending was roughly \$414 billion, spending will balloon massively beyond 2014.
- **At least \$30 Billion Lost or Wasted** – One study showed that Medicaid fraud and waste cost the federal government \$19 billion in 2012 while another study showed that fraud cost states \$11 billion in 2010.
- **States are the Story**– Payment error rates for individual states, an imperfect but important measure of possible fraud, vary from as low as 1% to as high as 30%.



Legislative Milestones...

1977



2005



2010



What Congress Thinks...

- **States are to Blame** – A 2012 House Government Affairs Committee report laid the principle blame for Medicaid fraud on the fact that states see little interest in fighting fraud as the federal government picks up most of the bill.
- **New Focus on Individual States** – The House released a staff investigation report on the New York Medicaid program in March that criticised the state heavily for using payments to state run mental health facilities to bilk the federal government for billions. The report talks about the importance of having HHS link program integrity improvements to Section 1115 waiver requests.
- **Need for More Program Integrity Resources** – The Senate Finance Committee Released a bi-partisan report in January calling for more funding for state program integrity efforts.



The Silver Lining...



States have proven they can drive down fraud rates dramatically, the challenge is to invest in the most promising approaches.



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