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Congress of the United States
House of Representatives
COMMITTEE ON WAYS AND MEANS

WASHINGTON, DC 20515

SUBCOMMITTEE ON OVERSIGHT

March 7, 2012

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20515

Attorney General Eric Holder
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530

Dear Secretary Sebelius and General Holder:

As Chairman of the Subcommittee on Oversight, I write regarding potential Medicare fraud in Texas brought to my attention by Rep. Kevin Brady (R-TX). As you know, taxpayers lose an estimated \$48 billion each year in Medicare improper payments, including payments for services that are either unnecessary or not provided at all. On March 2, 2011, I chaired a Subcommittee hearing on Medicare fraud in which we heard testimony regarding public and private sector efforts to identify providers and suppliers with unusual billing patterns. Nearly a year later, recent reports out of Texas suggest outlier providers continue to operate with impunity.

The cases detailed in the *Houston Chronicle* are troubling, if not surprising. They include findings that Medicare paid \$62 million to private ambulance services in Houston during 2009, while paying just \$7 million in all of New York City the same year. It is estimated that \$488 million was paid to non-emergency Houston ambulance providers between 2005 and 2010, making the area an incredible outlier for Medicare reimbursement. The same reports found that Medicare paid approximately \$1.25 billion to home health agencies in the Houston area during the same period. Other findings suggested kickbacks and other Medicare fraud by private ambulance services, mental health clinics, home health agencies, and other Medicare providers throughout the Houston area.

The Department of Justice (DOJ) and Department of Health and Human Services (HHS) are responsible for the federal government's fight against Medicare fraud, and work together towards this goal through the Health Care Prevention and Enforcement Action

Team (HEAT) task forces, now operating in cities with histories of Medicare and Medicaid fraud. I write asking that your Departments investigate the specific allegations in the *Houston Chronicle* reports, as well as provide a briefing to Committee staff regarding efforts to combat Medicare fraud generally, and identify cases of gross overutilization specifically. In addition to this briefing, please provide the following information for fiscal year 2011 by no later than March 21, 2012:

1. The number of criminal health care fraud investigations opened, criminal cases filed, criminal defendants charged, and criminal convictions attributable to the HEAT program, listed for each HEAT task force;
2. The funding levels of each HEAT task force, including the source of the funding and each task force's return on investment (ROI);
3. Details of how the Departments calculate ROI for the Health Care Fraud and Abuse Control Program;
4. Of all health care fraud convictions in FY 2011, provide a detailed breakdown of convictions by types of fraud (durable medical equipment, home health, etc.); and
5. The number of criminal investigations opened, cases filed, defendants charged, and criminal convictions attributable to the Southern District of Texas HEAT task force in FY 2011 that concern private ambulance providers.

Please contact Committee staff to arrange a briefing by no later than March 21, 2012. I thank you for your assistance with this request. Should you have any questions, please contact Chris Armstrong of the Subcommittee staff at (202) 225-5522.


Charles Boustany, JR, MD
Chairman