

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON HEALTH

FOR IMMEDIATE RELEASE

CONTACT: (202) 225-3625

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Chairman Brady Announces Hearing on Ideas to Improve Medicare Oversight to Reduce Waste, Fraud and Abuse

House Ways and Means Health Subcommittee Chairman Kevin Brady (R-TX) today announced that the Subcommittee on Health will hold a hearing on Medicare waste, fraud, and abuse, with a focus on the policies that address these problems. This hearing will allow the Subcommittee to hear directly from the U.S. Office of the Inspector General at the Department of Health and Human Services (OIG-HHS), the U.S. Government Accountability Office (GAO), and the Centers for Medicare and Medicaid Services' Center for Program Integrity (CPI) about the different recommendations and approaches to curb abuses within Medicare. The Subcommittee will hear testimony from Gloria Jarmon, Deputy Inspector General for Audit Services at OIG-HHS; Kathleen King, Director, Health Care at GAO; and Dr. Shantanu Agrawal, Deputy Administrator Director of CPI. **The hearing will take place on Wednesday, April 30, 2014, in 1100 Longworth House Office Building, beginning at 2:00 P.M.**

In view of the limited time available to hear from the witnesses, oral testimony at this hearing will be from the invited witnesses only. However, any individual or organization not scheduled for an appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

BACKGROUND:

According to the 2014 March The Medicare Payment Advisory Commission (MedPAC), the Medicare program paid out approximately \$574 billion dollars each year to more than a 1.5 million doctors, hospitals and medical suppliers, and citing a GAO report estimates that about \$44 billion dollars a year is lost to fraudulent activity within the system. There are many methods utilized by perpetrators of fraud, including false billing and identity theft.

CMS has primary responsibility for paying providers appropriately for furnishing services to beneficiaries and preventing fraud, waste, and abuse. The agency partners with numerous entities to carrying out these important functions, including contracts with:

- Medicare Administrative Contractors (MACs) perform prepayment medical reviews to ensure services provided to Medicare beneficiaries are covered and medically necessary, among other activities;
- Zone Program Integrity Contractors (ZPICs), located in seven zones throughout the country, are auditors that perform a wide range of medical review, data analysis, and evidence-based policy auditing activities;
- Recovery Audit Contractors (RACs) aim to reduce Medicare improper payments through the detection and collection of overpayments, the identification of underpayments, and the implementation of actions that will prevent future improper payments. Many of these activities involve data-mining activities based on billing information. Most of the data analysis is done after Medicare has made payment, but some work is now also being done before on a pre-payment basis. The Affordable Care Act established RACs for Medicare Part C and Part D and for Medicaid.

The OIG-HHS and GAO monitor efforts by CMS and its contractors to evaluate performance and identify vulnerabilities. OIG-HHS and GAO reports, often requested by members of the Committee, provide valuable insight and information to assist the Congress in oversight of the Medicare program.

The Federal Government devotes significant resources and employs numerous entities to curb inappropriate and excessive payments. While significant improvements in fraud detection have been made, such as enhanced screening of certain provider types before Medicare pays them, the most recent Comprehensive Error Rate Testing (CERT) contractor report to Congress shows additional improvements can and should be made. The report states that the payment error rate for the Medicare program was 8.5 percent for FY2012, the most recent data available, representing \$29.6 billion in payment errors. This hearing will give Members the opportunity to assess if resources are being used efficiently and identify how to improve a system in need of transparency and upgrade.

In announcing the hearing, Chairman Brady stated, **“It is very clear that problems with Medicare waste, fraud, and abuse persist. The Medicare trust fund is already headed towards insolvency and every dollar of fraud is a dollar not dedicated to providing quality care for our nation’s seniors. It’s a double whammy for seniors, threatening their access to necessary care while also hitting their pocketbook. More action, stronger oversight, and true transparency is needed. This hearing will find areas of improvement by looking honestly and thoroughly at the problem. We must move beyond the unacceptable status quo and work to enact bipartisan bills to strengthen anti-fraud programs to protect the Medicare program for generations to come.”**

FOCUS OF THE HEARING:

The hearing will focus on the different Agencies roles and missions in curbing the fraud, waste, and abuse within the Medicare program.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select "Hearings." Select the hearing for which you would like to submit, and click on the link entitled, "Click here to provide a submission for the record." Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Wednesday, May 14, 2014**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and MUST NOT exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.
3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.