



# The FAST Act: *Fighting Fraud and Abuse to Save Taxpayers' Dollars*

## The “FAST” Act of 2010 *Questions & Answers*

### **Q. Why are you introducing this bill now, when you opposed the health care law?**

**A.** While we opposed the new law when it was considered in Congress, we believe we have a duty as public servants to do all we can to protect Americans' tax dollars. Program dollars should pay providers for caring for patients, not line the pockets of criminals who commit fraud. Waste, fraud, and abuse not only threaten the financial viability of programs, they erode the public trust. No group of stakeholders in America would be expected to tolerate high rates of waste, fraud, and abuse in any private company, and we should not expect American taxpayers to tolerate rampant waste, fraud, and abuse in publicly-funded health care programs.

The new federal health reform law will spend \$2.6 trillion more taxpayer dollars over just a 10-year period, and we are gravely concerned that the loss and abuse of taxpayer dollars due to waste and fraud could increase under the new health law. We believe this concern is well placed, as our largest federal health care programs, Medicare and Medicaid, are already rife with waste, fraud, and abuse.

### **Q. All programs have flaws and all big systems have inefficiencies. Don't politicians exaggerate the seriousness or scope of waste, fraud, and abuse in Medicare and Medicaid for politician gain?**

**A.** No, the waste, fraud, and abuse in Medicare and Medicaid is real, widely-known, and very serious. Many independent, nonpartisan experts – from HHS' Inspector General, to the Government Accountability Office, to the Department of Justice, and various media outlets – acknowledge the pervasive and persistent nature of waste, fraud, and abuse in these programs.

### **Q. How do these reforms impact providers?**

**A.** We believe this bill encapsulates a host of common-sense, bipartisan reforms that would strengthen program integrity while minimizing the impact on physicians and other health care providers. One important element of reducing waste, fraud, and abuse is equipping CMS with the necessary authorizations and abilities to stop payments from going to pay crooks, not care providers. Unfortunately, too often, CMS's current business practices send taxpayer dollars out the door without sense of whether or not a provider is paid and a patient is cared for.

A story from [The Miami Herald](#) reported the account of Ihosvany Marquez. Marquez recently plead guilty “to federal health care fraud charges alleging he made \$55 million in false Medicare claims between 2005 and 2007.” He spent “his Medicare millions on a fleet of luxury cars, authorities say, including a Lamborghini....” This serious abuse of taxpayer dollars is

unacceptable, but it is not highly unusual. Changes are necessary to increase the integrity of the program and ensure Medicare and Medicaid dollars pay for patient care.

### **Q. If this bill were to become law, would this bill eliminate fraud in Medicare and Medicaid?**

**A.** There are many things that Congress and the Administration can do to eliminate waste, fraud, and abuse in Medicare and Medicaid. We believe this bill is a step in the right direction. The new federal health reform law dramatically expands Medicaid, significantly changes Medicare, creates substantial new mandates and regulations, and will send hundreds of billions of dollars to insurance companies. We are concerned that this dramatic expansion of government spending will create significant vulnerabilities to waste, fraud, and abuse.

Furthermore, we are concerned that the fraud and waste provisions in the new law fail to address these vulnerabilities. In fact, the independent nonpartisan Congressional Budget Office [estimated](#) that over the next decade under the new law, only \$6.7 billion dollars will be saved from fraud in Medicaid and Medicare. We are very concerned that, under the new reform law, taxpayers and patients will continue to lose out to criminals who commit fraud.

The HHS' Inspector General's Office for the Department of Health and Human Services said in Congressional testimony that "curbing fraud, waste, and abuse must be an essential component of any health care reform strategy." They said "for the U.S. health care system...to remain solvent for future generations, we must pursue an effective strategy to combat fraud, waste, and abuse." The IG's office identified five principles as core policy recommendations, but there are many more good ideas about ways to stop fraud. Here are a few by the IG:

- Highlights of [Address](#) by HHS OIG at the Health Care Compliance Association Annual Compliance Institute
- Aging Committee [testimony](#), 2009
- House E&C [testimony](#), 2009
- House Approps Committee [testimony](#), 2010
- Unimplemented [recommendations](#), 2008
- U.S. Senate Homeland Security and Governmental Affairs Subcommittee on Federal Financial Management [Testimony](#), 2009

Many experts have also authored books and research papers on this topic – some descriptive of the problem, others prescriptive with solutions. Harvard University's Malcolm Sparrow is a respected author and anti-fraud expert who wrote the seminal [License to Steal: How Fraud Bleeds America's Health Care System](#). He testified to Congress that official estimates are "lacking in rigor," are "comfortingly low and quite misleading," even excluding many kinds of fraud and abuse. Sparrow thinks that as much as 20 percent of the federal health care budget is consumed by fraud, which would be about \$90 billion a year for Medicare alone. One recent book edited by fraud expert Jim Frogue, [Stop Paying the Crooks](#), catalogues a wide variety of anti-fraud recommendations from a host of experts that can be used to prevent taxpayer dollars from funding criminals.

When taxpayers are losing \$60-100 billion dollars a year to waste, fraud, and abuse in Medicare and Medicaid, Congress and the Administration must do more to save taxpayers' dollars. We look forward to working with anyone interested in providing solutions to reduce waste, fraud, and abuse.