



July 6, 2011

The Honorable Tom Coburn
United States Senate
172 Russell Building
Washington, D.C. 20510

Dear Senator Coburn:

On behalf of America's Health Insurance Plans (AHIP), I am writing to thank you for your leadership in introducing S. 1251, the "Medicare and Medicaid Fighting Fraud and Abuse to Save Taxpayer Dollars Act."

Our members strongly support efforts to improve fraud prevention in Medicare and Medicaid, moving away from the government's "pay and chase" approach and adopting the innovative tools and techniques that have been pioneered by private health insurance plans. Detecting and preventing fraud upfront – before it occurs – is a critically important priority for our nation's health care system.

Recognizing that fraud has far-reaching implications both for health care costs and patient care, our members have led the way and developed effective fraud prevention and detection programs as part of a broad-based strategy for improving health outcomes and achieving the optimal use of health care dollars. These efforts are led by health plans' special investigations units (SIUs) that are staffed with personnel who have clinical, statistical and law enforcement expertise. Key activities performed by these units include provider credentialing, employing sophisticated software techniques to detect anomalies in billing to identify potential fraud before claims are paid, and partnering with federal and state law enforcement officials.

July 6, 2011

Page 2

We applaud efforts to incorporate these successful private sector strategies into Medicare and Medicaid to protect both beneficiaries and taxpayers from fraudulent practices. Moreover, we believe that the medical loss ratio (MLR) regulation should recognize the important role that fraud prevention programs play in improving quality and containing costs. To discourage investments in these initiatives is penny-wise and pound-foolish.

Thank you again for your thoughtful work in advancing legislation to combat health care fraud in federal programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Ka" followed by a long horizontal flourish.

Karen Ignagni