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HHS and DOJ Officials: Affordable Care Act Includes Important New Tools to Fight Health Fraud and Protect Medicare

Release Annual Report Demonstrating That Federal Activities to Reduce Health Care Fraud Working

Officials from the U.S. Department of Health and Human Services and the Department of Justice today highlighted the new tools in the Affordable Care Act that will help fight fraud, strengthen consumer rights and protect taxpayer dollars.

Secretary of Health and Human Services Kathleen Sebelius and Attorney General Eric Holder said the new law will build on the success of current joint Department of Justice and HHS fraud fighting efforts like the HEAT Task Force. The annual Health Care Fraud and Abuse Control Program (HCFAC) Report released today by both Departments showed that innovative strategies to protect consumers helped prevent fraud and recover billions of dollars for taxpayers in 2009.

“The Affordable Care Act gives us new tools to fight fraud, protect consumers, and safeguard taxpayer dollars,” said Secretary Sebelius. “It strengthens our ability to stop fraud before it starts by making it harder to submit false claims and easier to catch those who try to cheat out consumers. And, the new law will guarantee that those who try to game the system face severe consequences.”

In addition to strengthening law enforcement capabilities, the new law also will help shift the emphasis from the old model of “pay and chase” to a new model that puts a premium on fraud prevention and program integrity.

HHS will be working with the Department of Justice and the newly created Center for Program Integrity (CPI) at the Center for Medicare and Medicaid Services to build on the success of the HEAT Task Force and aggressively fight fraud in order to ensure that the full benefits of the new law reach American families.

The Affordable Care Act targets resources to areas where fraud and abuse are greatest, coordinates and consolidates fraud-fighting efforts across Medicare and Medicaid, and expands the partnership with the private sector to help stamp out waste and fraud and protect consumers.

“Our departments have a long history of working together in the fight against health care fraud. Today’s report shows the success of our collaborative efforts to prevent, identify and prosecute the most egregious instances of health care fraud,” said Attorney General Holder. “We know that as long as health care fraud pays and goes unpunished, our health care system will remain under siege. These crimes harm all of us – government agencies and programs, insurers and health care providers, and individual patients. But we are fighting back, and will use the expanded capabilities that the *Affordable Care Act* provides to stop health care fraud in its tracks.”

Today’s HCFAC report showed significant progress in fighting fraud. In fiscal year 2009, anti-fraud efforts resulted in \$2.51 billion being deposited to the Medicare Trust Fund, a \$569 million, or 29 percent, increase over FY 2008. In addition, over \$441 million in federal Medicaid money was returned to the Treasury, a 28 percent increase from FY 2008.

The Affordable Care Act will build on innovative strategies to fight fraud, such as Project HEAT, the joint operation between DOJ, CMS and the HHS Office of Inspector General that has unleashed special strike forces in six states to target health care fraud hot spots like South Florida, New York, Texas, California, Louisiana and Michigan.

“Criminals have concluded that health care fraud is a safe bet. It is imperative that we change the calculus,” said Daniel R. Levinson, Inspector General for the Department of Health and Human Services. With the expanded resources and enforcement tools provided in the Affordable Care Act, OIG and its partners will be bringing the fight to the criminals to prevent, detect, and swiftly punish those who steal from taxpayers and abuse the public trust.”

DOJ and HHS officials stressed that the expanded law enforcement efforts will be supported by the newly established Center for Program Integrity at the Centers for Medicare & Medicaid Services, which will use state-of-the-art methods to implement provisions of the Affordable Care Act that detect fraud and prevent improper payments. The Center will also work with the private health care sector to better target fraud and abuse.

For more information on the 2009 Health Care Fraud and Abuse Control Program Report, please visit <http://www.justice.gov/dag/pubdoc/hcfacreport2009.pdf>

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