

Fighting Fraud When Congress Can't Agree on Funding Government

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SAN FRANCISCO, CA, USA, October 15, 2013 /EINPresswire.com/ -- In the battle to combat healthcare fraud, the federal government has historically used a "pay and chase" model—reimbursing claims and asking questions later. This model has provided ample opportunity for swindlers of all stripes to pilfer the government largesse. "Think of the Medicare program as a bank that never bothered to buy a safe," cracked a [writer for the LA Weekly](#) in April. "Everyone from HMOs to drug dealers has been caught robbing it time and time again, stealing the kind of money that makes the sequester look like pocket change."

While it has had a reputation for not being especially proactive on fraud, the federal government started fighting back harder recently. Task forces, strike forces, action teams, and government auditors have been chasing down fraudsters and grabbing back larger amounts for the federal coffers. It seems that not a week goes by without a press release announcing a takedown restoring millions to the U.S. Treasury. The Department of Health and Human Services Office of Inspector General (OIG) claims their investigations return \$8 for every \$1 of agency funding and that \$10.7 billion has been recovered since 2009. So what happens when the federal government, in its infinite wisdom, cuts the \$1 of agency funding that yields \$8 in return?

In June the OIG announced that it was scaling back numerous health care fraud investigations, including investigations into Medicaid fraud and abuse, marketing unapproved drugs to Medicare patients, and sham suppliers of durable medical equipment. That's right. The OIG is dropping 200 employees this year and plans to lose another 200 by the end of 2015—about 20 percent of its current workforce. The extreme downsizing is due to a confluence of factors, including sequestration cuts and expiring stimulus funding and Bush-era appropriations.

In fact, the OIG's ranks have been so heavily culled that the office has shunned investigating more than 1,200 individual complaints of wrongdoing. Now, in September, Washington is poised for yet another government shutdown as Congress cannot reach compromise (again) on federal spending. Restoring OIG's fraud fighting unit seems like a pipe dream. Clearly, whatever the "pay and chase" model's success, it is far too vulnerable to the whims of Washington's politically-charged funding cycles to put a dent in the hundreds of billions yearly in fraud.

But there's another model for fighting fraud when Congress can't agree on funding. It's more than 150 years old. It's the False Claims Act. Incentivizing people with information about a fraud on the government to bring cases in the name of the government is less susceptible to the political winds that blow through Washington. To boot, the FCA has returned more than \$50 billion to state and federal governments with civil and related criminal penalties, particularly in healthcare, where about 80 percent of recoveries are centered. It's efficient too. The federal government is getting back better than 15:1 counting federal civil recoveries alone compared to the OIG's 8:1 yield (before its budget got slashed). If taxpayers don't want to pay for fraud but Congress doesn't want to fund government enforcement, whistleblowers are the fiscally responsible alternative.

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