



## Legislation Details (With Text)

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<b>Title:</b>	Resolution calling upon the appropriate committees in the New York State Legislature to hold hearings regarding the prevalence, scope, and costs of Medicaid fraud, and calling upon the appropriate committee of the Council to do the same.				
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Date	Ver.	Action By	Action	Result
7/27/2005	*	City Council	Introduced by Council	
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12/31/2005	*	City Council	Filed (End of Session)	

### Res. No. 1087

Resolution calling upon the appropriate committees in the New York State Legislature to hold hearings regarding the prevalence, scope, and costs of Medicaid fraud, and calling upon the appropriate committee of the Council to do the same.

By Council Members Oddo, Comrie, Fidler, Gentile, McMahon and Sanders Jr.

Whereas, Medicaid is a federal program that provides health insurance coverage to low-income individuals; and

Whereas, Pursuant to the provisions of the New York State Social Services Law, in New York City, Medicaid receives 50 percent of its funding from the federal government, 25 percent from New York State and 25 percent from the City of New York; and

Whereas, The Federal Centers for Medicaid and Medicare Services in a report, entitled "FY 2005 Budget in Brief", stated that in federal Fiscal Year 2005, 43.6 million Americans were eligible to receive Medicaid; and

Whereas, According to the May 2005 edition of HRA Facts, 2,577,847 New York City residents were Medicaid eligible in May 2005; and

Whereas, According to the Independent Budget Office's May 2005 "Fiscal Brief", New York City is estimated to have spent \$4.9 billion dollars in City tax levy dollars on Medicaid in Fiscal Year 2005; and

Whereas, An article in the August 2000 issue of the online journal Government Technology, entitled "Medicaid Hemorrhages Money" (the "Medicaid article") stated that the General Accounting Office estimated that nationally, 10 percent of the Medicaid program was fraudulently expropriated; and

Whereas, According to the Medicaid article, at that time, nationally less than 1/7<sup>th</sup> of one percent of Medicaid expenditures were dedicated towards fraud prevention; and

Whereas, The Medicaid article reported that The Federal Health Care Financing Administration (HCFA) found that a number of factors make it difficult for states to combat Medicaid fraud, including the fact that many legislatures and senior managers do not recognize the problem of fraud and abuse or do not treat it as a serious issue; and

Whereas, HCFA found that the trend towards an increase in the market penetration of Medicaid Managed Care plans has added another obstacle towards fraud prevention efforts, because as the Office of the Inspector General for the Department of Health and Human Services reported, at the present time there is no general agreement regarding the proper procedures that are needed to detect and refer fraud and abuse in the managed care setting; and

Whereas, A July 18, 2005 New York Times article (the "July 18 Times article"), entitled "New York Medicaid Fraud May Reach Into Billions", concluded that the State's Medicaid program is mispending billions of dollars annually because of fraud, waste and profiteering; and

Whereas, According to the July 18 Times article, the former chief New York State investigator of Medicaid fraud and abuse in New York City claims that he and his colleagues believe that at least 10 percent of State Medicaid dollars were spent on fraudulent claims and 20 or 30 percent more were siphoned off by

unnecessary spending that might not be criminal; and

Whereas, The July 18 Times article highlighted a number of particularly egregious examples of Medicaid fraud, including a single doctor who prescribed \$11.5 million dollars of a muscle-building drug normally intended for AIDS patients to bodybuilders, and a nursing home operator who received \$1.5 million from the Medicaid program in the same year that he was fined for neglecting his home's residents; and

Whereas, According to the July 18 Times article, one Brooklyn dentist is alleged to have over-billed Medicaid for as many as 991 procedures that she claimed to have performed in a single day, and when the State was informed of the over-billing, the dentist was subsequently indicted on charges of stealing more than one million dollars from the Medicaid program; and

Whereas, According to a July 19, 2005 New York Times article, entitled "As Medicaid Balloons, Watchdog Force Shrinks" (the "July 19 Times article"), even though New York State's Medicaid spending has tripled since the late 1980's, the number of State Medicaid fraud investigators has fallen by one-half; and

Whereas, The July 19 Times article reported that other states, including California and Texas, have increased their Medicaid antifraud efforts; and

Whereas, According to the July 19 Times article, a number of states have initiated vigorous Medicaid antifraud efforts that have recovered substantial Medicaid revenues, funds that can then be used to finance their Medicaid programs; and

Whereas, According to the July 18 Times article, federal auditors have made New York's Medicaid program a leading target for inspection; now, therefore, be it

Resolved, That the Council of the City of New York calls upon appropriate committees in the New York State Legislature to hold hearings regarding the prevalence, scope, and costs of Medicaid fraud, and calls upon the appropriate committee of the Council to do the same.

PMS  
LS # 3276  
7/21/05

