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HEALTH

Why Washington Lets Medicare and Medicaid Fraudsters Bilk Taxpayers of Trillions

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Earlier this month, Mike Cannon published an important, must-read article on the problem of Medicare and Medicaid fraud. As he notes, "judging by official estimates, Medicare and Medicaid lose at least \$87 billion per year to fraudulent and otherwise improper payments, and about





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10.5 percent of Medicare spending and 8.4 percent of Medicaid spending was improper in 2009." That may not seem like much in the context of a \$1.4 trillion deficit, but think of it this way: eliminating that amount of fraud would have paid for the entirety of Obamacare's expansions of Medicaid and private insurance subsidies.

But the \$87 billion figure is almost certainly too low, according to experts in entitlement fraud. Cannon cites 2009 Senate testimony by Harvard fraud expert Malcolm Sparrow, who said, "Loss rates due to fraud and abuse could be 10%, or 20%, or even 30% in some segments:"

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We do not have reliable figures of the loss rates, because the overpayment rate studies the government has relied on in the past

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