



'SO MUCH FRAUD' IN MEDICARE, MEDICAID

By: Chris Woodward - January 30, 2013

One analyst doesn't think anyone should be surprised by new findings that the government paid more than \$120 million in Medicare for prisoners and illegal immigrants.

According to federal health officials, the spending occurred from 2009 to 2011. But under federal law, Medicare does not generally pay for services for either group of patients.

The Department of Health and Human Services inspector general recommends federal officials establish a system that flags illegal payments before they are made.

Michael Cannon, director of health policy studies at the Cato Institute, has been tracking improper payments and fraud for years.

"Medicare and Medicaid are rife with fraud," he asserts. "There is so much fraud in these programs it's almost laughable -- in part because over the past few decades, there have been reports, and commissions, and dozens of these reports from the Government Accountability Office and so forth saying that there's massive fraud in these programs. But Medicare and Medicaid, not only do they not do an adequate job of fighting this fraud; they don't even do an adequate job of measuring this fraud."

But Cannon submits that this is what happens when people are allowed to spend other people's money.

"And every time you hear the Obama administration, or the Bush administration, or the next administration talk about, Well, we've had a record year in combating Medicare fraud, it's still not even a drop in the bucket, because they've never taken fraud seriously," the analyst asserts. "So they could have several record years in a row, and they won't even make a tiny little dent in the problem."

The Centers for Medicare and Medicaid Services reportedly has a system in place to flag illegal payments, but that was found to not be catching improper bills until after they had been paid.