



The FAST Act: *Fighting Fraud and Abuse to Save Taxpayers' Dollars*

The “FAST” Act of 2010

A Common-Sense Step Forward

In the President’s February 22, 2010 proposal for health reform, President Obama endorsed several Republican proposals designed to combat waste, fraud, and abuse in Medicare and Medicaid. While some sensible anti-fraud provisions were included in the Affordable Care Act, these Republican proposals were not fully included. The FAST Act notionally represents these bipartisan ideas to combat waste, fraud, and abuse, as well as a bipartisan provision to reduce from by removing Social Security numbers from Medicare cards.

The FAST Act takes a positive step forward in several areas:

- Helping CMS and other entities track excluded providers across State lines.
- Providing data access for private sector and governmental entities to increase anti-fraud efforts.
- Increasing accountability for Medicare Administrative Contractors.
- Limiting the discharge of debts in bankruptcy proceedings if a health provider has engaged in fraud.
- Strengthening penalties for the illegal distribution of Medicare or Medicaid beneficiary identification.
- Conducting a pilot program using universal product numbers on claim forms in Medicare.
- Prohibiting the inclusion of Social Security account numbers on Medicare cards.

The Scope of Waste, Fraud and Abuse Is Staggering

The Medicare program loses at least \$60 billion annually to wasted and fraudulent payments. The Medicaid program also suffers from rampant fraud, but we do not even know how much. The Office of the Inspector General noted in 2009, in an analysis of the only source of nationwide Medicaid claims and beneficiary eligibility information – the Medicaid Statistical Information System (MSIS) – the federal government does not have “timely, accurate, or comprehensive information for fraud, waste, and abuse detection” in the Medicaid program.

Absent comprehensive estimates, Medicaid’s improper payment rate may be the most objective measure of taxpayer dollars lost to fraud. The national average improper payment rate ranges between 8.7% and 10.5%, but many states have much higher improper payment rates.

Government Must Strengthen Efforts to Combat Waste, Fraud and Abuse

The new federal health reform law dramatically expands Medicaid, significantly changes Medicare, creates new regulations, and will send hundreds of billions of dollars to insurance companies. Without improvements to current anti-fraud efforts, taxpayers could be at risk to even more money.

The loss of taxpayer dollars due to waste and fraud under Medicare and Medicaid not only threatens the financial viability of programs, they erode the public trust. American taxpayers should not be expected to tolerate rampant waste, fraud, and abuse in publicly-funded health care programs.

It is the duty of public officials and public servants in Congress and the Administration to protect the American public’s taxpayer dollars. Congress and the Administration must continue to aggressively combat waste, fraud, and abuse in public health care programs.