

2009.05.20: Attorney General Holder and HHS Secretary Sebelius Announce New Interagency Health Care Fraud Prevention and Enforcement Action Team

Attorney General Eric Holder and Health and Human Services (HHS) Secretary Kathleen Sebelius announced on Wednesday, May 20, 2009 the creation of a new interagency effort, the Health Care Fraud Prevention and Enforcement Action Team (HEAT), to combat Medicare fraud. Holder and Sebelius also announced the expansion of Strike Force team operations to Detroit and Houston. Medicare Fraud Strike Forces, currently in operation in South Florida and Los Angeles, fight Medicare fraud on a targeted local level.

"With this announcement, we raise the stakes on health care fraud by launching a new effort with increased tools, resources and a sustained focus by senior-level leadership," said Attorney General Holder. "Every year we lose tens of billions of dollars in Medicare and Medicaid funds to fraud. Those billions represent health care dollars that could be spent on medicine, elder care or emergency room visits, but instead are wasted on greed. This is unacceptable, and the Justice Department is committed to working with the Department of Health and Human Services to eradicate it."

"Today, we are turning up the heat on perpetrators who steal from the taxpayers and threaten the future of Medicare and Medicaid," said Secretary Sebelius. "Most providers are doing the right thing and providing care with integrity. But we cannot and will not allow billions of dollars to be stolen from Medicare and Medicaid through fraud, waste and serious abuse of the system. It's time to bring the fight against fraud into the 21st century and put the resources on the streets and out into the community to protect the American taxpayers and lower the cost of health care."

The HEAT team will include senior officials from DOJ and HHS who will build upon and strengthen existing programs to combat fraud while also investing new resources and technology to prevent fraud, waste and abuse before it happens. Efforts will include the expansion of joint DOJ-HHS Medicare Fraud Strike Force teams that have been successfully fighting fraud in South Florida and Los Angeles. Established in 2007, these teams have a proven record of success using a "data-driven" approach to identify unexplainable billing patterns and investigating these providers for possible fraudulent activity. The Medicare Fraud Strike Force team operating in South Florida has already convicted 146 defendants and secured \$186 million in criminal fines and civil recoveries. After the success of operations in South Florida, the Medicare Fraud Strike Force expanded in May 2008 to phase two in Los Angeles, where 37 defendants have been charged with criminal health care fraud offenses. To date in the Los Angeles cases, more than \$55 million has been ordered in restitution to the Medicare program.

"We know these strike forces work. I believe a targeted civil and criminal enforcement strategy in these locations will have a substantial impact on deterring fraud and abuse, protecting patients and the elderly from scams,

and ensuring that taxpayer funds are not stolen,"said Attorney General Holder.

Prevention is critical to reforming the system and the HEAT team will also focus critical resources on preventing fraud from occurring in the first place.

The team will build on demonstration projects by the HHS Inspector General and the Centers for Medicare & Medicaid Services (CMS) that focus on suppliers of durable medical equipment (DME). These projects increase site visits to potential suppliers to prevent imposters from posing as legitimate DME providers. Other initiatives include:

- Increasing training for providers on Medicare compliance, offering providers the resources and the knowledge they need to help identify and prevent fraud.
- Improving data sharing between CMS and law enforcement so we can identify patterns that lead to fraud.
- Strengthening program integrity activities to monitor and ensure Medicare Parts C (Medicare Advantage plans) and D (prescription drug programs) compliance and enforcement.

The Attorney General and the HHS Secretary also called on the American people to visit a new Web site www.hhs.gov/stopmedicarefraud or call 1-800-HHS-TIPS (1-800-447-8477) to report suspected Medicare fraud.

"The American people are some of our best weapons in the fight against Medicare fraud,"added Sebelius. "Fraud is happening in communities across the country right now and we need the American people to blow the whistle on thieves and criminals who are stealing from all of us."

Fraud prevention efforts are also strengthened in President Obama's proposed Fiscal Year 2010 budget. The President's budget invests \$311 million -- a 50 percent increase from 2009 funding -- to strengthen program integrity activities within the Medicare and Medicaid programs. Combined, the anti-fraud efforts in the President's budget could save \$2.7 billion over five years by improving oversight and stopping fraud in the Medicare and Medicaid programs, including the Medicare Advantage and Medicare prescription drug programs.

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Note: All HHS press releases, fact sheets and other press materials are available at <http://www.hhs.gov/news>