

Trump Administration Asks for More Money to Fight Health Fraud

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The Trump administration is asking Congress to approve \$19 million in additional funding to fight health-care fraud.

The administration's fiscal year 2019 budget request calls for \$770 million in anti-fraud funding, a jump from the FY 2018 request of \$751 million.

The increased anti-fraud funds underline the value of the programs, especially considering that the budget proposes \$18 billion in cuts to other health-care programs. If the additional funding is approved it should translate into more personnel and more fraud investigations, which have proven to be a good investment for the government.

A \$19 million boost is certainly significant, but it's not huge given that the overall budget for health-care fraud enforcement is over \$700 million, Gejaa Gobena, a health-care attorney with Hogan Lovells in Washington, told Bloomberg Law Feb. 12.

"The fact that they're asking for more money for health-care anti-fraud efforts demonstrates that the administration thinks the money spent there is a good investment," Gobena, a former deputy chief of the fraud section in the Department of Justice's Criminal Division, said.

The additional funding would go to the Health Care Fraud and Abuse Control program, which coordinates federal, state, and local law enforcement activities

related to health-care fraud and abuse. The money is shared among the Centers for Medicare & Medicaid Services, the Department of Justice, and the Health and Human Services Office of Inspector General.

However, the return on investment numbers for health-care fraud enforcement have dipped a little over the past few years, Gobena said, moving from a high of \$8 returned for every \$1 dollar spent in FY 2013 to the current return of \$5 for every dollar spent.

"If that declines continues, it will be interesting to see how the administration might adapt to that," Gobena said.

The budget request projects \$8.9 billion in discretionary health-care anti-fraud funding between 2019 and 2028.

Snapshot

- Budget request calls for \$770 million to fight health-care fraud in FY 2019
- Administration asked for \$751 million last year

Anti-Fraud Proposals

The budget request also included a series of suggestions for congressional action designed to reduce fraud and cut Medicare and Medicaid costs, such as penalizing doctors who file claims with insufficient documentation.

Other proposals include:

- expanding Medicare's prior authorization program to include more services that have a high risk of fraud and abuse;
- allowing Medicaid Fraud Control Units to receive matching federal funds for investigating fraud in nonhospital settings, such as home-health care; and
- allowing for the suspension of coverage and reimbursement for drugs if they have a high risk to patients or if they're prescribed by doctors who have overprescribed in the past.

Even though the return on investment has declined, fraud-fighting is still a money-making investment for the federal government, Judith Waltz, a health-care attorney with Foley & Lardner LLP in San Francisco, told Bloomberg Law Feb. 12.

Shifting enforcement priorities, such as moving to dismiss False Claims Act claims that are without merit and not basing FCA cases strictly on regulatory interpretations, suggest that the anti-fraud funding could be more targeted and boost returns, Waltz said.

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