DARRELL E. ISSA, CALIFORNIA
CHAIRMAN

JOHN L. MICA, FLORIDA
MICHAEL R. TURNER, OHIO
JOHN J. DUNCAN, JR., TENNESSEE
PATRICK T. McHENRY, NORTH CAROLINA
JIM JORDAN, OHIO
JASON CHAFFETZ, UTAH
TIM WALBERG, MICHIGAN
JAMES LANKFORD, OKLAHOMA
JUSTIN AMASH, MICHIGAN
PAUL A. GOSAR, ARIZONA
PATRICK MEEHAN, PENNSYLVANIA
SCOTT DesJARLAIS, TENNESSEE
TREY GOWDY, SOUTH CAROLINA
BLAKE FARENTHOLD, TEXAS
DOC HASTINGS, WASHINGTON
CYNTHIA M. LUMMIS, WYOMING
ROB WOODALL, GEORGIA
THOMAS MASSIE, KENTUCKY
DOUG COLLINS, GEORGIA
MARK MEADOWS, NORTH CAROLINA
KERRY L. BENTIVOLIO, MICHIGAN
RON DeSANTIS, FLORIDA

LAWRENCE J. BRADY
STAFF DIRECTOR

ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515–6143

MAJORITY (202) 225–5074
FACSIMILE (202) 225–3974
MINORITY (202) 225–5051

http://oversight.house.gov

ELIJAH E. CUMMINGS, MARYLAND
RANKING MINORITY MEMBER

CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
JOHN F. TIERNEY, MASSACHUSETTS
WM. LACY CLAY, MISSOURI
STEPHEN F. LYNCH, MASSACHUSETTS
JIM COOPER, TENNESSEE
GERALD E. CONNOLLY, VIRGINIA
JACKIE SPEIER, CALIFORNIA
MATTHEW A. CARTWRIGHT, PENNSYLVANIA
L. TAMMY DUCKWORTH, ILLINOIS
ROBIN L. KELLY, ILLINOIS
DANNY K. DAVIS, ILLINOIS
PETER WELCH, VERMONT
TONY CARDENAS, CALIFORNIA
STEVEN A. HORSFORD, NEVADA
MICHELLE LUJAN GRISHAM, NEW MEXICO
VACANCY

Opening Statement
Rep. Michelle Lujan Grisham

Subcommittee on Energy Policy, Health Care and Entitlements
Hearing on "Medicare Mismanagement: Oversight of the Federal Government Effort to Recapture Misspent Funds"

May 20, 2014

Thank you, Chairman Lankford, for holding this hearing. Reducing waste, fraud, and abuse in the Medicare program is critically important, not only to protect taxpayer funds, but also to protect the health of our nation's seniors and disabled adults.

With more than 10,000 seniors aging into the Medicare program each day this year, it is now more important than ever that we ensure the integrity of Medicare funds, and keep the Medicare promise alive for generations of future Americans.

I am grateful to have Mr. Ritchie here on behalf of the Department's Office of Inspector General to speak about the OIG's efforts to do exactly that. The OIG, in conjunction with the Department of Justice, prosecutes some of the worst instances of health care fraud: providers billing for nonexistent beneficiaries or services that were never provided and providers who order unnecessary or harmful procedures.

The Health Care Fraud and Abuse Program, a joint program under the direction of the Attorney General and the Secretary of HHS, is a model for interagency cooperation and coordination. In FY2013, the HCFAC Program recovered a record $4.3 billion in health care fraud judgments and settlements.

That is remarkable. I look forward to hearing from the Assistant Inspector General about how this was achieved, and what can be done to strengthen the HCFAC program going forward.

But I think it is very important to underscore that these bad actors represent a small fraction of all providers. A vast majority of providers are not fraudsters and are deeply dedicated to the care of their patients.

Given the size and complexity of the Medicare program, overpayments are going to occur, and CMS must be vigilant in detecting and recouping them. But well-meaning

providers are entitled to have their claims administered fairly, efficiently, and without undue delay, so that they can focus on their core mission of providing care.

I have some serious concerns that the current system of post-payment audits by RACs is resulting in a significant burden on some providers, particularly smaller entities. Smaller providers or DME suppliers have more difficulty complying with RAC requests for medical documentation, and may not have the resources to appeal overpayment determinations.

The considerable backlog in the Office of Medicare Hearings and Appeals only makes matters worse, as these providers and suppliers do not have the luxury of waiting months for their appeals to be adjudicated.

I also have concerns about how RAC audits may affect beneficiaries. As a representative of New Mexico's 1st district, the issue of access to care is always paramount in my mind. If a provider or supplier is forced to cut back services or close its doors as a result of a RAC audit, I think this is really a lose-lose situation for everyone.

CMS recently announced that it will implement several changes to the RAC program which will be effective with the next RAC program contract awards. I look forward to hearing from Dr. Agrawal about CMS' efforts to improve oversight of RACs. I hope you can also address some of these issues I raised regarding the burden on smaller providers and the impact on beneficiary access in your remarks.

I also look forward to hearing from all of the witnesses about what CMS is doing to move away from the "pay and chase" model to a more proactive model that identifies improper payments up front. Such a model would spare both providers and taxpayers from expending resources that could be better spent on providing care.

With that, I yield back.

Contact: Jennifer Hoffman, Communications Director, 202-226-5181.