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ONE HUNDRED THIRTEENTH CONGRESS

# Congress of the United States

## House of Representatives

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### Opening Statement

#### Congresswoman Jackie Speier, Subcommittee Ranking Member

#### 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. And thank you to our witnesses for being here today.

More than forty years ago, our nation created the Medicare system and entered into an agreement with every single American - if you work hard and pay into the system, you are entitled to Medicare benefits when you turn 65 or become disabled. In 2013, Medicare covered 51 million beneficiaries at the cost of approximately \$604 billion dollars.

In order to protect this agreement, CMS and its partner agencies must effectively use the authority given to them by Congress to eliminate fraud and ensure that payments are made in a timely and accurate manner.

While I applaud CMS's demonstrated effectiveness in reducing improper payments, I also believe that CMS must conduct vigorous oversight of the Recovery Audit Contractor program. Providers are entitled to prompt, accurate payment, and we must work to ensure that audits do not unduly burden their core mission of providing critical health services to our nation's seniors.

This past February, I joined a number of my colleagues on both sides of the aisle in sending a letter to Secretary Sebelius citing concerns about the RAC program, including the incentives to deny claims and the administrative burden they pose on hospitals, and expressing the need for reform. The letter also voiced concern about the HHS Office of Medicare Hearings and Appeals' temporary suspension of new requests from providers for an Administrative Law Judge hearing.

Although the Chief ALJ Nancy Griswold was unable to attend today's hearing to testify about this decision, I do look forward to hearing from Dr. Agrawal about CMS' efforts to

improve oversight of the RAC program, including the recent announcement that it will implement several changes when the next round of program contracts are awarded.

While it is clear that more action is needed from the agencies to strengthen the integrity of the Medicare program, let's not forget that Congress also has a role to fulfill here.

OMHA has been inundated by a huge increase in the number of RAC claims, while Congressional funding for OMHA judges has not kept pace. In 2007, OMHA received 20,000 RAC claims. In Fiscal Year 2013, approximately 3 years after the RAC program became permanent nationwide, OMHA received 192,000 RAC claims. However, OMHA received no additional funding from Congress to handle this rapidly increasing caseload.

Additionally, due to sequestration, there are fewer resources for DOJ and HHS to combat Medicare fraud and abuse. Funding for the Health Care Fraud and Abuse Control Program, which returned over \$4.3 billion dollars in health care recoveries in Fiscal Year 2013, has been cut by \$30.6 million dollars.

Congress should support the work of the HHS Inspector General. As outlined in Mr. Ritchie's written testimony, the OIG expects to reduce its Medicare and Medicaid oversight capabilities by about 20 percent by the end of this fiscal year if we fail to fully fund the OIG's budget request. That is unacceptable.

Focusing on ways to administer the Medicare program more efficiently and effectively is exactly the type of responsible oversight the Committee on Oversight and Government Reform should be conducting.

There are other opportunities for our Committee to conduct oversight on fraud in the Medicare system. In April I sent a letter to Chairman Issa of the full Committee on the alleged Medicare, Medicaid, and TRICARE fraud perpetrated by the for-profit hospital chain Health Management Associates (HMA). Qui tam lawsuits joined by the Department of Justice allege the hospital chain ripped off taxpayers for \$600 million.

I would like to thank Chairman Issa for agreeing to my request last month that the Committee investigate and hold a hearing on this issue, and I look forward to working with him on this investigation.

I thank Chairman Lankford again for looking at this important issue. I look forward to hearing the testimony of the witnesses present today.

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