



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

TO: Reporters and Editors  
FR: Jill Kozeny, 202/224-1308  
for Chairman Grassley  
RE: IG guidance on DRA provision  
DA: Tues., Aug. 22, 2006

Sen. Chuck Grassley issued a comment today about new guidance from the Office of the Inspector General for the Department of Health and Human Services regarding an incentive in the *Deficit Reduction Act of 2005* for states to adopt whistleblower provisions as part of state laws on false claims.

As Chairman of the Senate Committee on Finance, Grassley included this incentive as part of the Medicaid and Medicare spending package that was part of the overall *Deficit Reduction Act of 2005*. In 1986, Grassley was the principal Senate sponsor of whistleblower amendments that updated the *False Claims Act*.

Grassley comment —

“Congress created an incentive for states to encourage whistleblowers to help recover tax dollars that would otherwise be lost to fraud based on the tremendous success of the federal law. During the last 20 years, the whistleblower provisions of the federal *False Claims Act* have been responsible for more than \$18 billion being reclaimed from contractors who were defrauding the government and, in turn, the taxpayers. There’s no better tool available for fighting and deterring this kind of fraud by health care, defense and other government contractors.

“The guidance just issued by the Inspector General will help states fine tune state-level proposals and existing state laws in order to take advantage of the new incentive and beef up their fraud-fighting efforts. All of these efforts are important because every dollar lost to fraud in Medicaid is one less dollar for health care for those who depend on Medicaid.”