

ONE HUNDRED TWELFTH CONGRESS
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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “Examining Options to Combat Health Care Waste, Fraud, and Abuse”
Subcommittee on Health
November 28, 2012

Mr. Chairman, I want to thank you for holding this hearing today and for focusing on the important topic of Medicare and Medicaid fraud.

Health care fraud robs taxpayers of funds, affects the quality of care provided to program enrollees, and saps public confidence in the program. That’s why I see fighting fraud as a critical need – and an issue where we should be able to achieve bipartisan consensus.

The vast majority of Medicare and Medicaid providers are compassionate and honest. The vast majority of beneficiaries of these programs desperately need the care they provide. We need to be tough on fraud and tough on criminals who take advantage of these programs and their beneficiaries – but we can and should not blame the victim.

One of the reasons I am so proud of the Affordable Care Act is that it contains dozens of anti-fraud provisions. The legislation has the most important reforms to prevent Medicare and Medicaid fraud in a generation – and already they are yielding results. As a result of the strengthened enrollment and reenrollment process, CMS has deactivated 136,682 provider enrollments and revoked another 12,477. The new Fraud Prevention System of analytics has generated numerous new leads for new and existing investigations and provider and beneficiary interviews.

The health care reform law shifted the prevailing fraud prevention philosophy from “pay and chase” – where law enforcement authorities only identify fraud after it happens – to “inspect and prevent.” But, even so, the need for “boots on the ground” investigation work will always remain.

I am proud of these efforts to reduce fraud.

We will hear today from a number of witnesses describing additional steps and technologies CMS could take in terms of fighting fraud.

I know some of today's witnesses support legislation to mandate CMS undertake a pilot project testing specific technology. If Congress is considering giving CMS additional funding to test new fraud fighting activities – first we should give them the flexibility to test different interventions and compare the results, not mandate one very prescriptive activity. Second, we must ensure that whatever CMS decides to test is evaluated carefully to determine which technologies provide the best value for our tax dollars.

Smart Cards may help address the problem of identity theft; however, reducing identity theft will not eliminate fraud. And, Smart Cards may not be the only way to address issues of identity verification. In fact, both the American Medical Association, representing our nation's physicians, and the National Health Law Program, representing low income beneficiary advocates, raise some important issues for policy makers to consider with respect to these cards.

I am glad that the Committee is continuing the dialogue on reducing fraud in the Medicare program.

If we truly care about protecting the taxpayer, we should build upon the Administration's initiatives to reduce Medicare fraud. I hope that we can work across the aisle to do just that.