

**HUMAN RESOURCES ADMINISTRATION COMMISSIONER DOAR ANNOUNCES RESULTS OF CITY'S EFFORTS TO COMBAT WASTE IN MEDICAID PROGRAM**

New York, October 6, 2008 - Human Resources Administration (HRA) Commissioner Robert Doar today announced that the City's efforts to combat Medicaid fraud, waste and abuse have led to a potential savings of more than \$100 million in the last year.

"Ensuring that our public health insurance programs are run with integrity is the best way to provide health insurance to those who are truly eligible," Commissioner Doar said. "For a program that costs \$25 billion annually in New York City, our approach to combating waste has to be multifaceted, and that is what we have in New York City."

HRA's efforts to control waste in the Medicaid program focus on three areas: provider audits, client fraud detection and recoupment from Medicaid clients who receive lawsuit settlements or other windfalls.

In early 2007, the City entered into a partnership with New York State to participate in its Medicaid Fraud, Waste and Abuse Demonstration Project, a pilot designed to empower localities to increase vigilance over Medicaid providers, ensuring that funds are spent responsibly. The Office of Provider Fraud and Abuse Investigation conducts field audits of high risk providers, including pharmacies, physician groups and Medicaid transportation companies. The goals of the unit are to identify and recover misspent public funds and help promote health care for New Yorkers through focused fiscal monitoring of Medicaid providers.

In less than one year, the Office of Provider Fraud initiated 59 audits and submitted 25 to the State Medicaid Inspector General's Office for potential recoveries of more than \$30 million. Five of these audits have been approved by the State and now await response from the providers.

Building on the long-standing success of HRA's Investigation, Revenue and Enforcement Administration, HRA also launched the Medicaid Client Fraud Investigation Division in 2007 to investigate clients who are ineligible for Medicaid due to concealed income and resources. To date, the Division has identified a total of more than \$5.7 million in Medicaid benefits that were expended for clients who were ineligible for the program. Outcomes for these cases could include criminal prosecution, civil litigation or voluntary recovery. In addition to monies identified and recovered, the Division has closed over 531 cases for ineligibility totaling approximately \$3 million in cost avoidance, and has referred 40 cases for prosecution.

Finally, in 2007, HRA also recovered money from Medicaid recipients who received windfall payments through lottery winnings, lawsuit settlements, and have sold property, totaling \$76.8 million. This effort insures that Medicaid recipients who can afford to pay for their health care are required to do so.

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