



# SENATOR MATT BARTLE

District 8 – Capitol Building, Room 431 Jefferson City, MO 65101

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Contact: Todd Scott  
(573) 751-1464 / (888) 711-9278

## Lawmakers Take on Medicaid Fraud to Reduce Tax Burden and Ensure the Program's Feasibility

With the exponential growth in Missouri's Medicaid expenditures, I am working on ways to reduce the program's costs and prevent fraud. After focusing on waste, fraud and abuse among Medicaid recipients in 2005, this year we are targeting fraudulent health-care providers. With the legislation making its way through the House, we are once again taking a major step forward in reducing excessive spending and ensuring that the program is available for those truly in need.

There is no question that Medicaid expenditures are becoming increasingly burdensome on Missouri taxpayers. Between the 1995 and 2006 fiscal years, per capita income for Missourians grew from \$21,280 to \$33,208. That is an overall increase of 156 percent and a 4.16 percent annual growth rate. However, statewide Medicaid expenditures grew from \$2.09 billion in 1995 to \$5.51 billion in 2006. That is an astonishing overall increase of 264 percent, a 9.37 annual rate.

Meanwhile, Medicaid expenditures are becoming an ever larger part of Missouri's state budget. In 1968, the program was 4 percent of our overall budget. It then grew to 8 percent in 1980, 11 percent in 1990, 20 percent in 2000, and 28 percent in 2004. It is important to recognize that this growth in relation to the overall budget means that either other state services are being eliminated, or taxes are increasing that much more.

In 2005, the General Assembly passed legislation designed to slow the program's growth and reduce Medicaid abuse by health-care recipients. With the passage of Senate Bill 539, lawmakers saved an estimated \$600 million from the budget by tightening eligibility requirements, subjecting some services to appropriations, and requiring a process of eligibility verification for Medicaid applicants. However, the Medicaid Reform Commission, created by SB 539 and charged with examining the program, recommended that we also focus on fraudulent Medicaid providers.

As a result, the Senate has passed SB 1210, and the House is currently debating the bill. SB 1210 enhances penalties against health-care providers who commit Medicaid fraud and offers financial incentives to whistleblowers. Under the legislation, penalties for first-time and repeat offenders are increased, those who defraud Medicaid are prohibited from participating in the system and offenders must serve at least 85 percent of their prison sentence. Further, individuals who come forward to identify instances of Medicaid fraud are allowed to keep a portion of the money recovered from subsequent investigations.

By attacking Medicaid abuse at the recipient and provider levels, lawmakers are taking a two-pronged approach to reducing the Medicaid burden on Missouri taxpayers while ensuring the feasibility of the program.

If you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by e-mail at [matt\\_bartle@senate.mo.gov](mailto:matt_bartle@senate.mo.gov) or by phone at (888) 711-9278.

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