



Gibbons Capitol Report
April 13, 2006

Cracking Down on Healthcare Thieves

I created the Senate Special Committee to Investigate Medicaid Fraud in December in order to determine what actions needed to be taken to prevent Medicaid providers from stealing money from the care of Missouri's disabled, elderly and poor. The committee sought to expose fraud, whether perpetrated by caregivers, doctors, hospitals, equipment providers, pharmaceutical companies, or participants. The committee heard testimony from experts across the country on the possible over-billing of hundreds of millions of dollars at the expense of Missouri's most vulnerable citizens.

Senate Bill 1210: Punishing Providers Who Steal

After months of meeting, the committee, along with its chairman, Sen. Chris Koster, outlined recommendations in Senate Bill 1210, which we passed this week in the Missouri Senate.

Senate Bill 1210 stiffens the penalties for Medicaid providers that defraud the system. The bill increases the crime of fraud to a Class C felony and requires those convicted to serve a significant amount of their sentence before they are eligible for parole. It also permanently bans perpetrators from participating in the program ever again.

In my opinion, stealing from the poor is one of the most horrific crimes a person can commit. I am confident these new penalties will make any cheater question the risk and the price they will have to pay for defrauding Missouri.

Fraud By the Numbers

The *Kansas City Star* first reported that hundreds of millions of dollars are stolen each year from the Medicaid system due to provider fraud. Since then, experts have testified that the number is higher than expected: as much as \$575 million of taxpayer money is stolen from the Medicaid system by medical providers who participate in the state-funded health-care program.

Examples of common fraud include overstating the number of hours devoted to Medicaid recipients, billing Medicaid multiple times for the same service, and billing Medicaid for

prescriptions that the patients never ordered. Whatever that number is, every dollar that is taken away from those who need it most is not only hurting our state's most vulnerable citizens, but also robbing the taxpayers of Missouri. These criminals must be punished.

Rewarding Those Who Do the Right Thing

The bill also aims to encourage whistleblowers to come forward by offering 20 to 35 percent of the money recovered by the state. Furthermore, the measure protects the employment status of inside informers, as well as shields providers from false accusations by sealing the lawsuit until the attorney general can reach a conclusion about the allegations.

Our state's poorest citizens deserve quality care from honest providers, and this legislation will help recipients and providers get what they deserve. By stiffening the penalties against those who cheat the system and offering rewards for whistleblowers, we will save taxpayer money for what is really important—treating Missouri's most vulnerable citizens.

Preserving the Privacy of All Missourians

Another step forward in our effort to reform healthcare in Missouri cracks down on a different kind of theft. I sponsored SB 1041 to punish those who try to steal anyone's electronic medical records. I made the penalties severe because your privacy is important. Individuals will face either a Class D or Class C felony for misusing, in any way, someone's personal health information without their consent. Electronic medical records have proven to save lives and save money in other states, but patients need to know their information is safe. I believe this bill will do just that.

Both of these bills will move to the Missouri House, where I hope they will be pursued with the same vigor as we have pushed for in the Senate.

