

*An estimated \$22 billion is lost annually to Medicaid fraud across the country, affecting local and federal taxpayers*

Mineola, NY— Today, Congressman Steve Israel (D-Huntington) joined Nassau County Executive Edward P. Mangano in Mineola to announce federal legislation to make it easier for counties to prosecute Medicaid fraud, potentially saving taxpayers billions of dollars in wasted funds. Rep. Israel's legislation would allow states to apply for grant money to support the local expenses associated with Medicaid fraud investigations and would require at least 50 percent of the funds recovered go to counties and localities.

Rep. Israel said, "Governments at all levels are looking for ways to save. We can't let \$22 billion be lost to Medicaid fraud every year. My legislation will make it worthwhile for counties to pursue Medicaid fraud investigations and help taxpayers save money. I'm proud to stand with County Executive Mangano today who is a great partner in this effort."

County Executive Mangano said, "In 2011, our Department of Social Services, Office of Investigations (DSS-OI) investigated 4,701 cases of welfare fraud, waste and abuse, primarily in the area of Medicaid. As a result, more than \$9.79 Million was saved through front end detection, traditional investigations and criminal fraud referrals to law enforcement. In addition, \$6.73 Million was recovered by DSS by collecting Medicaid money through civil means such as recovering from estates and liens on property. I applaud Congressman Israel's federal legislation which will truly help our county and save our hardworking taxpayers money they work so hard to earn."

Medicaid is the largest source of funding for medical and health-related services for people below a certain income level. It is jointly funded by the state and federal governments. Due to the program's complexity and size, it is susceptible to fraud. In 2010 alone, the U.S. Government Accountability Office estimated \$22 billion was lost to Medicaid waste, fraud, abuse, and improper payments nationally.

The Local Medicaid Enforcement Incentives Act of 2012 would allow states to apply for grant money to support the local expenses associated with a Medicaid fraud investigation. However this grant money would only be approved under the condition that at least 50 percent of the funds recovered from successful prosecutions go to counties and localities.

With this legislation, counties and localities will be able to play a more active role in the investigations and also have more flexibility to prosecute smaller cases with the recovered funds they receive. Because Medicaid services are administered at a local level, county governments are often best equipped to discover fraud. Plus, by giving the counties a better chance to hang on to the fraud funds recovered, they have stronger incentives to help combat Medicaid fraud.

Because the cost of Medicaid is shared by federal, state and county governments, successfully stopping Medicaid fraud saves taxpayer money at all levels. In fact, for every dollar that is spent combating Medicaid fraud, states and the federal government recover more than \$8. In 2011, states reported \$1.7 billion in recoveries for both civil and criminal cases handled by the 50 Medicaid Fraud Control Units across the country.

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