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Rampant Fraud Plagues Florida Medicaid Program

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Florida's \$14.7 billion Medicaid program is rife with fraud. According to a recent audit by the Office of Program Policy Analysis and Governmental Accountability, or OPPAGA, the legislature's auditing office, more than \$1.4 billion per year, or an unbelievable 10 percent of total Medicare expenditures, are fraudulent. OPPAGA warns that Governor Bush's proposed Medicaid reforms, which would privatize much of the system, will make matters worse. OPPAGA warns that Florida's health-regulatory agency would have to be revamped to monitor the new multibillion dollar contracts, with dozens of health networks around the state that would offer Medicaid services. So what? Can OPPAGA possibly believe that the current system is okay, that it does not need dramatic reform?

Currently the state attempts to supervise more than 80,000 individual providers and 2.2 million recipients. With acknowledged fraud running at 10 percent, no one can claim the current system works. Furthermore, with costs escalating at 10-15 percent per year, Florida's current system of Medicaid is unsustainable, even without the fraud problem. Our state desperately needs to reform its Medicaid system.

Medicaid provides much needed medical coverage to those who cannot afford it. Our economic system is heavily oriented towards tourism, trade, and retirement. This economic structure is impossible to change in the short run and unlikely to be altered in the long run. Our economy generates huge volumes of jobs, but many of these jobs do not come with health insurance, so Florida is saddled with large volumes of uninsured people. We will meet their health care needs one way or another, or bear the economic costs of not doing so. Therefore, reform is absolutely necessary.

But what about the fraud and waste? Privatizing the system, as the governor has proposed, is likely to produce a much better outcome than the current system. The state will be required to monitor and to audit a much smaller number of

health care providers and can focus its resources. These for-profit healthcare providers will have huge economic incentives to control fraud and waste, economic incentives the state can never have. Florida's current Medicare fraud chief bragged that in 2003 his unit recovered \$27.7 million in fraudulent claims. Wow, he only has \$1,383,000,000 to go! Obviously, the state cannot control Medicaid fraud or Medicaid spending in total with the current system. Hopefully, the legislature will enact the governor's reforms.

Finally, it must be noted that the reform program will likely limit state spending on Medicaid. In economies like ours here in central Florida with the dominance of the tourism, trade, and retirement industries, local governments and their taxpayers – that means you and me – will also have to chip in to provide adequate coverage.

And speaking of chipping, this is pledge time so please support this station.

This is Hank Fishkind for 90.7 FM, WMFE News.

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