

**U.S. House and Senate Notification**

**Wednesday, April 24, 2013**

**To: Congressional Health Staff**

**From: Lauren Aronson**

**Director, Office of Legislation**

**Centers for Medicare & Medicaid Services**

**Re: CMS Issues Proposed Rule Increasing Fraud Reporting Incentives and Strengthening Provider Enrollment Safeguards**

Today, the Centers for Medicare & Medicaid Services (CMS) released a proposed rule that would increase rewards paid to Medicare beneficiaries and other individuals whose tips about suspected fraud lead to the successful recovery of funds. Tips from individuals regarding fraud schemes have proven to be a valuable tool for the government to detect fraud, waste, and abuse in the Medicare program. Under the proposed changes, the first person who provides specific information leading to the recovery of funds may be eligible to receive a reward of 15 percent of the amount recovered, up to \$9.9 million, if CMS recovers \$66 million or more. CMS currently offers a reward of 10 percent up to \$1,000 under the current incentive reward program.

The proposed rule also strengthens several provider enrollment safeguards such as allowing CMS to deny enrollment to providers, suppliers, and owners who are affiliated with an entity that has unpaid Medicare debt. This proposal would prevent individuals and entities from incurring substantial Medicare debt, exiting the program, and the attempting to re-enroll as a new business to avoid repayment of their debts. CMS is also strengthening enrollment rules to deny or revoke billing privileges for individuals with felony convictions that are detrimental to Medicare, and revoke providers and suppliers with a pattern of abusive billing.

These proposed changes support the agency's comprehensive approach to program integrity, including the work of the Health Care Fraud Prevention and Enforcement Action Team, a joint effort by HHS and the Department of Justice to fight health care fraud that recovered a record \$4.2 billion in taxpayer dollars in FY 2012.

To access the proposed rule, please visit: <http://www.ofr.gov/inspection.aspx#special>

To access the press release, please visit: [http://www.cms.gov/apps/media/press\\_releases.asp](http://www.cms.gov/apps/media/press_releases.asp)

To access the fact sheet, please visit: [http://www.cms.gov/apps/media/fact\\_sheets.asp](http://www.cms.gov/apps/media/fact_sheets.asp)

If you have any questions, please contact the CMS Office of Legislation.

Thank you.