



From the Office of
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Black Sends Letter to CMS on GAO Recommendations to Stop Medicare Fraud

Washington, D.C. – Today, Congressman Diane Black (R-TN-06) sent a letter to Marilyn Tavenner, the Administrator for the Centers for Medicare and Medicaid Services (CMS), asking for an update on recommendations made by the Government Accountability Office (GAO) to combat improper payments made by Medicare. The Medicare Trust fund is estimated to go insolvent in 2024, and in her letter, Congressman Black wrote:

“To address fundamental structural challenges facing the growing system, the non-partisan Government Accountability Office (GAO) published numerous recommendations to taper down fraud and improve program efficiency, specifically in the area of improper payments. In fact, the Ways and Means Subcommittee on Health recently called for a hearing on Medicare fraud.

“To date, over 52 million Americans are enrolled in the Medicare system, relying on this important program to provide them with access to efficient, affordable, and quality health care. In the coming years, millions of new enrollees will enter the system. Due to its size and complexity, GAO first designated the Medicare program as a high-risk area in 1990 as management challenges arose. Since that time, numerous ongoing recommendations have been issued by GAO to assist the administration with developing and executing more cost-effective and efficient management systems. Regrettably, in 2012, the Department of Health and Human Services doled out a staggering \$64.2 billion in improper payments—of which Medicare fee-for-service accounted for \$29.6 billion. In total, Medicare improper payments cost taxpayers more than \$44 billion.

“Given the current fiscal trajectory of the Medicare program, it is imperative that the Administration and the Congress work in tandem to address fundamental flaws in payments made by the Centers for Medicare and Medicaid Services (CMS) through the Medicare program. For this reason, I am interested in understanding if CMS has developed an implementation plan and timetable to address two remaining specific recommendation made by GAO to reduce the improper payments issued by CMS.

“In 2007, GAO recommended a requirement for contractors to develop thresholds for unexplained increases in billing in order to implement the controls under an automated payment system. While CMS is utilizing a predictive modeling system, the Fraud Prevention System

(FPS), prior to issuing payments under fee-for-service, thresholds have not been developed to explain unexpected increases in billing.

“For claims submitted by home health agencies with high rates of improper billing, GAO recommended post-payment reviews. According to GAO, CMS has not begun to review these claims, causing possible missed opportunities to better target areas of fraud and achieve recoupment.

“These recommendations, which would achieve structural reforms to reduce the government’s exposure to fraud and abuse of taxpayer funding, merit serious consideration by the administration. I respectfully request information from CMS on the current action plan to implement these overdue and common sense recommendations.”

A digital copy of Congressman Black’s letter to CMS Administrator Tavenner can be [found here](#).

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Congressman Diane Black represents Tennessee’s 6th Congressional District. She has been a registered nurse for more than 40 years and serves on the House Ways and Means and Budget Committees.