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ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE
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July 18, 2014

Ms. Kathleen M. King
Director, Health Care
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Ms. King:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Wednesday, June 25, 2014, to testify at the hearing entitled "Medicare Program Integrity: Screening Out Errors, Fraud, and Abuse."

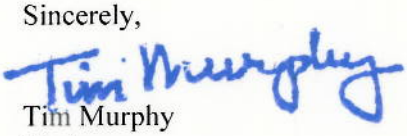
Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

Also attached are Member requests made during the hearing. The format of your responses to these requests should follow the same format as your responses to the additional questions for the record.

To facilitate the printing of the hearing record, please respond to these questions and requests with a transmittal letter by the close of business on Friday, August 1, 2014. Your responses should be mailed to Brittany Havens, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to brittany.havens@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Tim Murphy
Chairman
Subcommittee on Oversight and Investigations

cc: Diana DeGette, Ranking Member, Subcommittee on Oversight and Investigations

Attachments

Attachment 1—Additional Questions for the Record

The Honorable Tim Murphy

1. Are Medicare contractors able to share such information with each other? For instance, if a patient or provider is suspected of fraud and they change plans during open enrollment, would the plan a beneficiary is leaving be able to communicate with a plan they are joining about the suspected fraud?

2. Medicare Administrative Contractors, known as "MACs" were created about a decade ago. Today they serve as the primary bill-payers for Medicare claims. Given that the bulk of Medicare reimbursements are processed by MACs, the bulk of improper payments are made by MACs. I know GAO is currently wrapping up work examining the work of the MACs. Do you have any early observations on your work that you can share with the Committee?

3. GAO has conducted work looking at CMS's management of all program integrity contractors. GAO made several interesting findings, including the fact that CMS did not standardize its requirements for all contractors. One of the consistent findings from GAO's work over the years is that CMS will often sign a contract for a program integrity function, but either fail to measure the right functionality and activities from the contractor, or fail to assess progress as the contractor conducts the work. In what ways do you think the current contracting mechanism that CMS uses (which is subject to Federal Acquisition Rules), might hinder CMS's flexibility to manage the program well?

4. In other work conducted for Congress, GAO has found two models for managing some offices within HHS (not at CMS, but at FDA). In one approach, individual employees received a portion of their bonuses based on that employee's individual contribution toward stated agency goals. In the other approach, the office had a general commitment to achieving stated agency goals, but the individual employees' contribution toward those goals was not assessed. GAO also found that the latter office significantly failed to advance agency goals in a meaningful way.

    a. Do you think there are any lessons in this management model for CMS's program integrity staff?

    b. Should individuals who write or manage the contracts for program integrity contractors at CMS have some portion of their bonus held in reserve to be paid out based on the successfulness of the contractor actually reducing waste, fraud, and abuse?

5. The CMS has agreed to postpone awarding the new round of Recovery Auditor Contractor contracts until at least Aug. 15 because of pending litigation. This delay comes after numerous administrative changes and delays to the statutorily mandated program. Given the RACs record of recovering hundreds of millions, even billions, of dollars for the Medicare Trust Fund, does GAO have any concerns regarding the impact further administrative or legal delays may have on the effectiveness of the recoveries for the Medicare Trust Fund from this statutorily mandated program?

6. What do you believe are the top five vulnerabilities with regard to the integrity of Medicaid payments?

Attachment 2—Member Requests for the Record

During the hearing, Members asked you to provide additional information for the record, and you indicated that you would provide that information. For your convenience, descriptions of the requested information are provided below.

The Honorable Tim Murphy

1. What is the likelihood of someone charged with Medicare fraud serving time in prison? What is the likelihood of someone charged with Medicare fraud paying a fine?

2. What is the success rate of Medicare fraud investigations?

3. What additional data would be valuable to help you prescreen for Medicare fraud?

The Honorable Bill Johnson

1. Are Medicare contractors able to share information with each other? For instance, if a patient or provider is suspected of fraud and they change plans during open enrollment, would the plan a beneficiary is leaving be able to communicate with a plan they are joining about the suspected fraud?

The Honorable Billy Long

1. What percentage of the 350,000 cases that will be adjudicated were initially correct and holding the money?