

Opening Statement of the Honorable Tim Murphy
Subcommittee on Oversight & Investigations
Hearing on “Combating Waste, Fraud and Abuse in Medicaid’s
Personal Care Services Program”
May 2, 2017

(As prepared for delivery)

The Subcommittee convenes this hearing today to examine Medicaid Personal Care Services – a critical lifeline for our nation’s most vulnerable populations.

Medicaid is the largest provider of long-term care services for disabled and elderly individuals. Lately, long-term care has shifted from nursing homes and institutional settings to services provided to beneficiaries in their homes.

Personal care services, or PCS, provide essential services to Medicaid beneficiaries with significant needs so that they can stay in their homes. As they enter this ever more vulnerable stage of life, most elderly persons prefer to live in familiar surroundings.

These are not health services, but rather they assist beneficiaries with daily activities they can no longer do without assistance such as meal preparation, laundry, and transportation so that they can continue to live in their communities.

PCS now makes up a large component of home- and community-based care, and continues to grow rapidly. In 2015, federal and state expenditures for PCS amounted to \$15 billion, up from \$12.7 billion in 2011. The actual figure is probably significantly higher because this number only reflects fee-for-service claims, and does not include managed care.

The U.S. Department of Labor projected that employment of personal and home health aides will grow by 46 percent between 2008 and 2018, which far exceeds the average growth of 10 percent for all occupations.

While the move toward home care has undoubtedly improved the lives of Medicaid beneficiaries by allowing them to stay at home – *and* saves money for taxpayers – we cannot turn a blind eye to waste, fraud and abuse in the Personal Care Services program.

More than 29 reports by the HHS Office of Inspector General have uncovered systemic fraud in PCS. The OIG has uncovered schemes between PCS attendants and Medicaid beneficiaries to submit claims for services that were not provided. This type of fraud is difficult to detect because attendants can often be a beneficiary's spouse, child or friend.

Even more troubling is the *abuse* the HHS OIG's investigations found. Stories like that of a beneficiary in my home state of Pennsylvania dying of exposure to the cold while under the care of a PCS attendant. This beneficiary had autism and a history of running away, but the attendant left her alone in a crowded shopping mall and waited an hour to call authorities.

In Maryland, a disabled woman was left alone in a locked car on a hot and sunny day, while her attendant went shopping with a friend. This woman was unable to open the car door. A concerned citizen noticed her in distress and called the police.

In Vermont, an attendant stole the opioid painkillers prescribed for the beneficiary, even though the beneficiary was in significant discomfort and pain. This same attendant was on probation for drug possession at the time.

These are just some of the many stories of abuse uncovered by the OIG and other authorities – We will discuss them more today.

We talk about program integrity and high improper payments a lot on this Subcommittee. We are used to getting into the weeds on error rates, methodology, and data collection.

To help curb fraud in PCS and protect vulnerable beneficiaries, Congress acted in the Helping Families in Mental Health Crisis Act of 2016 to require the use of an electronic visit verification system for Medicaid-provided PCS and home health services. This became law as part of 21st Century Cures, and, when implemented, will help ensure that information regarding the services provided are verified.

Having verified data that will help identify waste, fraud, and abuse is important because there are real people at risk – those who use the PCS program include our friends and neighbors, who may not have the resources or ability to speak up when they encounter abuse. This Subcommittee, this Congress, will not tolerate these abuses.

While it is undoubtedly good policy to keep beneficiaries in their homes, it also raises difficult questions which must be addressed.

How do we protect vulnerable people from abuse in their homes, when no one else is around to assess an attendant's performance?

What changes can we make – by both Congress *and* CMS – to improve this program while maintaining access for Medicaid beneficiaries who need these services?

Both the HHS OIG and the Government Accountability Office have done excellent work to highlight the problems within PCS. These offices have also suggested ways to solve these problems – such as additional beneficiary safeguards, higher standards for attendants, and pre-payment controls.

I am grateful for your work and look forward to hearing more about your findings.

I understand that CMS has already acted to address some – but not all – of these findings, and we will discuss what CMS is doing to address our concerns.

Thank you to our witnesses today for your dedication and great work to protect Medicaid beneficiaries and root out waste, fraud and abuse. I look forward to a productive discussion today.