

IG: HHS Spent \$120.6 Million on Medicare for Illegal Aliens


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11



The Federal Government, through the Center for Medicare and Medicaid Services (CMS), is spending hundreds of millions of dollars on illegal aliens and deceased persons, according to a [newly published Inspector General report](#).

Between the fiscal years 2009-2011, the Department of Health and Human Services spent \$120.6 million to cover unlawfully present persons under Medicare Part B, which covers medical and preventative services, and Part D, which covers prescription drugs:

Unlawfully present beneficiaries.

We identified \$91.6 million in improper payments to unlawfully present beneficiaries in Part B during CYs 2009 through 2011. When CMS received untimely information indicating that unlawful presence overlapped with the dates of service on previously paid Medicare claims, CMS did not notify Medicare's contractors of this updated information, and the contractors did not detect and recoup improper payments. For the same period, we estimated \$29 million in gross drug costs associated with unlawfully present beneficiaries in Part D.

During that same span, \$33.6 million was spent on individuals who were incarcerated through Plan A and B, even though prisons pay for medical costs instead of Medicare. In FY 2011, \$23 million was paid to beneficiaries who had already died.

The Inspector General says that his team "ramped up its oversight of the Department's efforts to implement the Affordable Care Act, including the Health Insurance Marketplaces."

Since the Health Insurance Marketplaces run mostly through electronic records, it was expected that security would increase. Unfortunately, that is not the case:

Though Electronic Health Record (EHR) technology may make it easier to commit fraud, CMS and its contractors have not adjusted their practices for identifying and investigating fraud in EHRs. Few contractors reviewed EHRs differently from paper medical records. In addition, not all contractors reported being able to identify copied language or overdocumentation in a medical record.

Everyone wants their loved ones to be safe when they enter a nursing home or when receiving extended care, but that's not happening for far too many people.

"An estimated 22 percent of Medicare beneficiaries experienced adverse events during their skilled nursing facility (SNF) stays. An additional 11 percent experience temporary harm events during their SNF stays."

After reviewing and making a judgment for those who were harmed, "physician reviewers determined that 59 percent of the adverse events and temporary harm events were **clearly or likely preventable**," (emphasis added).

The physician reviewers "attributed much of the preventable harm to substandard treatment, inadequate resident monitoring, and failure or delay of necessary care."

In total, for the month of August in 2011, "the estimate cost to Medicare was \$208 million," which when added up with the other months' totals, "this equates to \$2.8 billion spent on hospital treatment for harm in SFYs in FY 2011."

One of the key parts of reducing harm events is to increase quality standards set in hospitals and other facilities. If there are no standards or the standards are not enforced, care will not be exemplarily.

[Medicare Administrative Contractors] had not met one-quarter of the quality assurance standards reviewed and they had not resolved issues with 27 percent of the unmet standards as of 2012. MAC standards have stringent performance requirements; a

number of standards require 100-percent compliance. CMS did not require action plans for 12 percent of unmet standards, and unmet standards without action plans were almost four times more likely to have issues go unresolved.

The findings of the Inspector General are not new, but they do not get fixed. With the Affordable Care Act going into law, fraud may increase as the CMS gets left behind in the technology age.

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