Written by Grassley Press
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WASHINGTON – Senator Chuck Grassley has asked the Attorney General and the Secretary of Health and Human Services to account for the way their departments allocate and utilize taxpayer monies aimed at health care fraud. In his request, Grassley expressed concern about the stagnating number of criminal prosecutions for health care fraud, despite increased federal spending to fight fraud.

“The data raises all kinds of questions,” Grassley said. “Congress has been increasing appropriations for the anti-fraud program that’s jointly run by Justice and HHS. Administration leaders promote the value of a special fraud prevention and enforcement task force known as HEAT. The health care law enacted this year dedicates even more federal dollars to these efforts. Yet, despite the record number of defendants, actual criminal convictions for health care fraud violations are flat resulting in a falling conviction rate.”

Grassley said that if the administration is focusing on civil prosecutions of health care fraud at the expense of criminal prosecutions, the risk may be that penalties simply become part of the cost of doing business for those engaged in fraud.

Grassley also said that HEAT criminal investigations grew from 30 in fiscal 2008 to 82 in fiscal 2009, yet the total nationwide number of criminal health care fraud convictions is down. “This raises a question of whether the focus of the HEAT initiative is redirecting resources away from overall criminal enforcement of health care laws,” Grassley said.

Grassley said of even greater concern is the plummeting conviction rate for criminal health care fraud cases. Of the 803 criminal defendants charged in fiscal 2009, only 583 were convicted or plea bargained. That represents a 72 percent conviction rate compared to past rates that topped 90 percent.

“Statistically speaking, the data shows that despite increased cases and defendants, fewer bad guys are going to jail for ripping off Medicare and Medicaid. I want to know why the Justice Department is having a tougher time putting people behind bars when we’re giving them millions more to do the job,” Grassley said.

Grassley has long worked in Congress to strengthen efforts against health care fraud. Legislation he co-authored in 1986 empowered citizen whistleblowers to file suit on behalf of the taxpayers against those who fraudulently claim federal funds, including Medicare, Medicaid, contract payments, disaster assistance, and other benefits, subsidies, grants and loans. The amount recovered through the False Claims Act since the 1986 update was enacted is over $27 billion, which otherwise would be lost to fraud. The whistleblower updates are a major force against health care fraud.

In the new year, Grassley will begin serving as Ranking Member of the Committee on Judiciary. For the last ten years, Grassley has been either Ranking Member of Chairman of the Committee on Finance, which has jurisdiction over Medicare or Medicaid. He will continue to serve as a senior member of the Finance Committee.

Click here to read Grassley's letter, including the data and analysis.