

## Crime groups raiding Medicare and Medicaid, GAO report says

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WASHINGTON, D.C. — Organized criminal groups have infiltrated Medicare and Medicaid, and they are skimming hundreds of millions of dollars a year from the programs, federal investigators said Wednesday.

In a report to Congress, the General Accounting Office (GAO) said the criminals had formed scores of "medical entities" — clinics, physician groups, diagnostic laboratories and medical equipment suppliers — for the purpose of bilking Medicare and Medicaid, the insurance programs for people who are elderly, disabled or poor.

The companies billed the government for services and equipment that was not provided or not medically necessary, the report said. In some cases, beneficiaries had died before the dates on which the services were supposedly provided.

GAO investigators looked at what the report said were 160 sham companies in Florida, North Carolina and Illinois, but they suspect the problem is nationwide. "Criminals previously involved in other types of crime are now migrating into the health-care fraud arena," said the report to Sen. Susan Collins, R-Maine, chairwoman of the Permanent Subcommittee on Investigations.

The report included no estimate of total losses to the government. But the magnitude of the problem is suggested by the fact that a criminal group in one Florida case filed fraudulent Medicare claims worth more than \$120 million and \$1.5 million in fraudulent Medicaid claims.

Collins said the study's findings were "very troubling." She said she and Sen. Richard Durbin, D-Ill., are drafting legislation that would require criminal background checks on health care providers before they are allowed to participate in Medicare.

The bill, she said, also would toughen penalties for people who buy or sell the names and identification numbers of doctors or