



The Patient Protection and Affordable Care Act

Reducing Waste, Fraud and Abuse in Medicare, Medicaid, CHIP and Private Insurance

Reducing waste, fraud and abuse in Medicare, Medicaid, and CHIP will save taxpayer dollars. In private insurance markets, fraudulent operators prey on small businesses and individuals, using the promise of low premiums to lure unsuspecting purchasers to buy bogus coverage. The National Health Care Anti-Fraud Association estimates that fraud amounts to at least three percent of total health care spending, or more than \$60 billion per year. The Patient Protection and Affordable Care Act includes many policies that will significantly reduce fraud and abuse in Medicare, Medicaid, CHIP and private insurance.

Increase Funding for Program Integrity

- ✓ The Patient Protection and Affordable Care Act will increase funding for the Health Care Fraud and Abuse Control fund to fight fraud in public programs. The Congressional Budget Office estimates that every \$1 invested to fight fraud results in approximately \$1.75 in savings.

Improve Screening of Providers and Suppliers

- ✓ The Secretary of Health and Human Services will institute a new screening process for all providers and suppliers before granting Medicare billing privileges.
- ✓ States will receive new authority to impose screening procedures on Medicaid providers.
- ✓ States that do not create effective screening programs could lose federal financial assistance.

Require Providers and Suppliers to Implement Compliance Programs

- ✓ The Patient Protection and Affordable Care Act will require providers and suppliers to implement compliance programs as a condition of participating in Medicare and Medicaid.

New and Enhanced Penalties to Deter Fraud and Abuse

- ✓ The Patient Protection and Affordable Care Act will establish new penalties for submitting false data on applications, false claims for payment, or for obstructing audit investigations related to Medicare, Medicaid, and CHIP.
- ✓ New penalties will be established for Medicare Advantage and Part D plans that violate marketing regulations or submit information to the Centers for Medicare and Medicaid Services.

New Tools to Deter Fraud and Abuse in Private Insurance Markets

- ✓ The Patient Protection and Affordable Care Act will create new penalties and enforcement tools to deter fraudulent health insurance scams, especially through bogus Multiple Employer Welfare Arrangements (MEWAs).
- ✓ The Department of Labor will have the authority to shut down fraudulent plans before operators can inflict financial harm on innocent parties.
- ✓ The Patient Protection and Affordable Care Act will encourage uniform reporting by private health plans to state insurance departments.