



November 24, 2009

Mr. Bill Corr
Deputy Secretary
Department of Health and Human Services
Hubert H. Humphrey Building; Room 614-G
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Corr:

Medicaid Health Plans of America (MHPA) supports the efforts of the Department of Health and Human Services to combat fraud and abuse in the Medicare and Medicaid programs. Rampant fraud in Medicaid is a black eye on the program, cheats taxpayers, and gives a bad impression of the management of the program and the legitimate companies providing services to the Medicaid population. We strongly support your efforts to convene a summit on Medicare and Medicaid fraud next year (as you referenced in your testimony provided to the Senate Judiciary Committee on October 28, 2009) and encourage you to include Medicaid health plans among the invited stakeholders.

MHPA shares the concern of HHS, the HHS-OIG, and other agencies about the serious threat fraud and abuse poses to Medicare and Medicaid. The recent HHS-OIG memorandum dated August 26, 2009, identified failures in the MSIS data system in detecting and preventing Medicaid fraud. Most recently, President Obama announced plans to issue an executive order to address fraud in the wake of OMB reporting \$55 billion in Medicaid and Medicare improper payments made in fiscal year 2009. MHPA believes that a critical component to addressing this problem is the encouragement of states to partner with Medicaid health plans to identify and curtail fraud and abuse.

Medicaid health plans (covering 43% of Medicaid enrollees) have a proven record in doing a better job in identifying and preventing fraud than fee-for-service Medicaid. While fraud in fee-for-service Medicaid is estimated between 7% and 10% of expenditures, fraudulent claims in Medicaid health plans are less than 0.5% of expenditures. This efficiency is attributable to state contractual requirements for health plans to have comprehensive information management systems that can identify fraudulent claims and practices. In addition, health plans have a direct financial incentive to prevent fraud.

MHPA is the leading trade association solely focused on representing health plans in Medicaid. Our mission is to develop and advance public policy that controls costs and improves access and delivery of quality health care to Medicaid members. Our member companies provide Medicaid managed care services for more than 13 million beneficiaries in 35 states and the District of Columbia. We represent a wide range of Medicaid health plans – from large multi-state plans to small community-based plans.

We look forward to working with HHS and the Administration to implement solutions to combating fraud and abuse in Medicaid and hope to participate in future stakeholder discussions.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas L. Johnson". The signature is written in a cursive style with a large initial "T" and "J".

Thomas L. Johnson
Executive Director