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President Obama Signs Roskam, Carney Medicare Fraud Provisions Into Law

Press Release – April 16, 2015

WASHINGTON, DC—Today, Congressman Peter Roskam (R-IL) and Congressman John Carney (D-DE) released the following statements after President Obama signed into law H.R. 2, which contains key Medicare fraud provisions authored by Roskam and Carney. The enacted measures, which were originally filed in the *Preventing and Reducing Improper Medicare and Medicaid Expenditures (PRIME Act) of 2015*, will strengthen these programs by eliminating vulnerabilities that expose them to fraud and improper payments.

“We have a solemn responsibility to our seniors and future generations to ensure Medicare remains strong and efficient for many years to come,” said **Congressman Roskam**. “Yet the program is currently hemorrhaging a staggering \$60 billion annually due to rampant waste, fraud, and abuse. That’s why I teamed up with my colleagues on both sides of the aisle to develop a package of smart reforms to protect Medicare and Medicaid from wasteful, improper payments and scammers attempting to fleece the system. These measures will make sure taxpayer dollars are used for those who need them most, not to line the pockets of crooks. In other words, it’s a win-win for beneficiaries and taxpayers alike. I want to thank Congressman Carney for being a tremendous partner in making these proposals the law of the land.”

“The PRIME Act will strengthen Medicare and protect seniors by ensuring that resources go to those who need them, not criminals looking to take advantage of the system,” said **Congressman Carney**. “In this Congress, it’s not easy to find areas where Democrats and Republicans agree, but fighting waste, fraud, and abuse while saving billions of taxpayer dollars just makes sense.”

"The PRIME Act is an important step forward to protect seniors and taxpayers from fraud, and we appreciate the efforts by Congressman Roskam and Congressman Carney to advance this important goal," said **Karen Ignagni, President and CEO of America’s Health Insurance Plans (AHIP)**.

“AMAC was pleased to see provisions of the PRIME Act incorporated into legislation that was recently signed into law,” said **Dan Weber, President of the Association of Mature American Citizens (AMAC)**. "AMAC has long been a champion of the

PRIME Act—a bold, bipartisan piece of legislation aimed at securing the future of the Medicare and Medicaid programs. Not only does it responsibly address the serious problems of waste, fraud and abuse that continue to unnecessarily drain these vital programs at the expense of seniors in need, it promises to enhance the integrity of the programs overall. AMAC greatly appreciates the positive steps taken by Congress to protect seniors, minimize wasteful government spending and strengthen Medicare and Medicaid for future beneficiaries.”

"Our mission is to protect the integrity of the healthcare system," said **Bill Lucia, President and CEO of HMS Holdings, Inc.** "We've supported the Preventing Improper Medicare and Medicaid Expenditures (PRIME) Act from its introduction, due to its potential to reduce fraud, waste, and abuse. We're very pleased to see this much-needed legislation become law."

“The National Retiree Legislative Network (NRLN) applauds the enactment of H.R. 818 to bring about a disciplined and fair approach toward reducing fraud and other Medicare program abuses,” said **Bill Kadereit, NRLN President.** “Congressman Roskam’s bill serves as an example of how to control and lower the cost of Medicare without cutting benefits to seniors.”

Background on PRIME Act provisions included in H.R. 2

- Phases out the antiquated “Pay-and-Chase” system that pays out even suspicious Medicare claims. By better incentivizing Medicare Administrative Contractors (MACs), who are the first line of defense against fraudulent claims, we can save taxpayers billions of dollars.
- Requires HHS to enhance the Medicare-Medicaid, or Medi-Medi, program in order to ensure federally run Medicare and state-run Medicaid share information on fraudsters, so if a provider or beneficiary is found to be abusing one system, they are also barred from the other.
- Links contract payments to accuracy goals for Medicare contractors and defines penalties for not meeting those goals -- ensuring processors have skin in the game and actively work to verify claims before sending taxpayer dollars out the door.
- Builds on the Senior Medicare Patrol program by requiring Medicare officials to improve outreach so more of our nation's seniors are aware of the fight against waste and fraud, and also expanding the program to include Medicaid beneficiaries.
- Requires valid National Prescriber Identifiers (NPIs) be present on all pharmacy claims, deterring opportunity for creating and using fraudulent prescriptions.