

Billions in Medicare fraud raises questions about public plan

A recent edition of CBS' "60 Minutes" revealed that there is about \$60 billion in Medicare fraud each year and government officials are throwing up their hands in despair.

The next morning, some members of Congress held a press conference – not to decry Medicare fraud, but to urge support for a national program that would serve as a government-sponsored health insurance program for more than 100 million Americans.

As president of the New York State Association of Health Underwriters, and someone who



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sells and services health insurance plans, I found there to be a huge disconnect between Sunday night and Monday morning. I had to wonder whether members of Congress are actually listening to what is happening in this country, or just want to ram through an ill-advised public option, whether it makes sense or not.

Medicare is a government-sponsored health care program that helps 46 million elderly and disabled Americans. It also seems to be the local ATM for criminals who keep finding new ways to swindle billions each year in scarce Medicare resources.

In the "60 Minutes" segment, the fraud department at Medicare admitted it is grossly short-staffed, buried underneath

a behemoth system that processes more than a billion claims a year, equaling more than \$430 billion. In fact, Medicare's "director of program integrity," a somber-looking woman, admitted to the reporter that she is "frustrated" and the oversight budget has been "extremely limited."

The only visible evidence of the scheme is the thousands of tiny clinics and pharmacies that dot low-rent strip malls across the country. Criminals open storefront after storefront, which are never open to the public, billing Medicare for fictional wheelchairs, prosthetics and medical supplies. After a couple of months at each stop, they move on, always one step ahead of Medicare. One scam artist told "60 Minutes" he was making up to

\$40,000 a day, saying the only hold-up was having to wait a couple of weeks for Medicare to process the checks.

The news segment made it crystal clear that the government can't handle fraud in its public health insurance program. Yet, the morning after the segment aired, members of Congress were back at the Capitol, guns blazing, fighting for the creation of the largest public health insurance program in history that would easily dwarf Medicare.

Unlike private insurance, this new government health insurance program would have only one boss: Uncle Sam. While private insurance companies must answer to investors, boards of directors, policyholders and common sense, the public plan

would have virtually no oversight and would be ripe for thieving.

The same government that has turned a blind eye to hooligans who have bilked \$60 billion in taxpayer money each year would be in charge of this new public option. The only difference between Medicare and the public option is that the new system would cost taxpayers even more.

At a time when our government sends hundreds of Medicare reimbursable checks each month to seedy storefronts manned by criminals, we can not ask Americans to support a system that would just bring crime to a whole new level.

While the current health care system is not perfect, private insurance companies have the

ability to minimize fraud. In fact, some of their administrative costs go toward fighting fraud and abuse. Unlike the government, business is limited in the amount of revenue it can generate and needs to ensure a sustainable business plan to remain viable.

The bottom line: there's incentive to ensure they're not being ripped off.

Before Congress considers a new layer of government, we must create an air-tight system that ensures assistance goes to the elderly and people with disabilities – not criminals on the market for a newer yacht.

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