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Sunday, April 27, 2003

Fraud, apathy ail Medi-Cal

SACRAMENTO – Medi-Cal fraud is reaching a staggering level, swallowing as much as a third of the state-federal dollars that flow through the government health program for the poor. That's according to figures released earlier this month that, amazingly, went all but unnoticed in the Capitol.

Professor Malcolm Sparrow of Harvard University's Kennedy School of Government estimated that 10 percent to 35 percent of all Medi-Cal funds, or \$2.9 billion to \$10.2 billion, are lost to fraud. State experts believe it's far lower, perhaps 10 percent at most.

But by any measure, that's a lot of money in a \$29.2 billion program.

Most of this money is not scammed by those who get medical care, but by those who provide the services and are reimbursed by the state, Sparrow testified before the Senate Government Oversight Committee. The scams include padded bills, faked tests, reimbursements for nonexistent services and the like.

Medi-Cal serves about 6.8 million patients annually. It is financed by a split of state and federal dollars, which means that in this one program alone - using Sparrow's figures - as much as \$5 billion in state money is lost to fraud. That's a seventh of the entire state budget deficit.

The state's anti-fraud efforts are underfunded or overwhelmed, or both.

State Attorney General Bill Lockyer handles criminal Medi-Cal fraud prosecutions and has 60 agents assigned. But out of 973 pending criminal probes, Lockyer's Department of Justice has a backlog of 411.

"In other words, 42 percent of its pending criminal investigations are not being worked," the committee said in a bipartisan April 9 report.

Moreover, the committee said that Lockyer's office never put into effect a provision of a 3-year-old law, AB1089 by now-Sen. Gloria Romero, D-Los Angeles, that authorized state grand juries to be set up to beef up prosecutions of fraud artists.

Lockyer's staff said there was no need for those juries, and that they used the regular grand juries to handle the load.

But the oversight committee was skeptical.

There are two major fraud prosecution efforts - Lockyer's and another run by Gov. Gray Davis' Department of Health Services with assistance from the FBI and the U.S. Attorney's Office. This latter program is effective, according to the committee, and the attorney general would do well to hook up with it.

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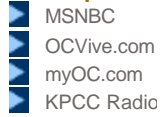
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The first bottleneck of the legislative session is Friday, the deadline for bills to pass their policy committees. The bills are stacking up.

In the Senate, the Education Committee doubled its schedule and faces dozens of bills, and other committees are jammed, too. The Assembly faces a similar situation.

Bills that don't survive the deadline are dead.

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