

Washington, D.C. – Rep. Wally Herger (R-CA) and Rep. Pete Stark (D-CA), Chairman and Ranking Member of the House Ways and Means Health Subcommittee, today reintroduced the Strengthening Medicare Anti-Fraud Measures Act. This legislation was introduced as H.R. 6130 in the last Congress, when it passed the House by voice vote but the Senate failed to act. They are joined by 19 of their colleagues.

The legislation expands the authority of the HHS Office of Inspector General (OIG) to ban corporate executives from doing business with Medicare if their companies were convicted of fraud after they had left the company. It also gives OIG the ability to exclude parent companies that may be committing fraud through shell companies.

Chairman Herger: "It is essential that we close loopholes that make widespread Medicare fraud possible by allowing these criminals a second chance to commit fraud. Medicare is already on an unsustainable path and we must make every effort to ensure that taxpayer dollars are not wasted to ensure that loopholes in the law do not allow hard-earned taxpayer dollars to go to waste. We have been informed by law enforcement officials as to what they need to combat these problems and this legislation addresses their concerns. I am pleased to join with Representative Stark and others in offering this solution to ensure that these fraudsters are put out of business for good."

Ranking Member Stark: "This legislation protects taxpayers and Medicare beneficiaries against crooked CEOs and corporations that want to swindle Medicare. Last year, the Senate failed to act even after the bill passed by voice vote in the House. I hope that this year we can finally pass these important anti-fraud measures into law."

At a Ways and Means hearing on Medicare fraud in June 2010, the Chief Counsel for OIG asked members of the Committee for these changes. For more information on the June hearing on fraud, waste, and abuse in the Medicare program, please visit: <http://go.usa.gov/xDC>

The legislation addresses two gaps that exist in fighting Medicare fraud:

- Executives from companies that are convicted of fraud can be excluded from Medicare under current law. However, if the executive has left the company by the time of conviction, he or she cannot be barred from federal health programs. These executives are able to move from one company to another and continue to defraud Medicare, seniors, and taxpayers. This legislation provides OIG with the authority to ban these executives from doing business with Medicare.

- Companies that engage in fraud often set up shell companies to insulate themselves from liability. Criminal settlement negotiations can result in the dissolution of these shell organizations with no real penalty to the parent company. This legislation provides OIG with the authority to exclude these parent companies from the Medicare program.

For the text of the bill, please visit: <http://go.usa.gov/gcH>

The original co-sponsors include:

Rep. Wally Herger

Rep. Pete Stark

Rep. Devin Nunes

Rep. Sander Levin

Rep. Patrick Tiberi

Rep. Charlie Rangel

Rep. Geoff Davis

Rep. Jim McDermott

Rep. Dave Reichert

Rep. John Lewis

Rep. Charles Boustany

Rep. Richard Neal

Rep. Dean Heller

Rep. Lloyd Doggett

Rep. Jim Gerlach

Rep. John Larson

Rep. Vern Buchanan

Rep. Earl Blumenauer

Rep. Erik Paulsen

Rep. Ron Kind

Rep. Bill Pascrell