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Opening Statement of Sen. Chuck Grassley
Committee on Finance Hearing, "Prescription for Fraud:
Consultants Selling Doctors Bad Billing Advice"
Wednesday, June 27, 2001

The Centers for Medicare and Medicaid Services (CMS) provide health insurance coverage for millions of Americans. Countless older and low-income Americans depend on the benefits provided by the Medicare and Medicaid programs. With this in mind, any kind of fraud, waste or abuse directed at these programs cannot be tolerated. Therefore, I was very concerned when allegations were brought to my attention several months back regarding health care consultants teaching providers how to defraud vital government programs.

Upon receiving these allegations, I turned to the General Accounting Office's Office of Special Investigations, simply known as "OSI." I asked OSI to look at the nature of the training being offered by consulting firms to physicians who bill Medicare and Medicaid. Today, the GAO is releasing a report of its findings.

In brief, as part of an undercover operation, agents of OSI attended seminars and workshops given by healthcare consultants. What they found is astonishing and disturbing. Consultants were teaching providers how to upcode, circumvent compliance regulations and, in certain instances, discriminate against patients with lower paying insurance. Providers were being shown how to bill for services never rendered, how to keep overpayments that should be returned to the Medicare Trust Fund, and how to create separate plans of treatment based on insurance reimbursement levels for patients with the same diagnoses.

The Health and Human Services Office of Inspector General has also been doing work in the area of health care consulting. That office also has seen large providers being taught how to unbundle payments and how to regularly upcode on large volume, common illnesses such as pneumonia. The promotion of fraud, abuse and discrimination in any form is unacceptable and must come to an end.

Let me add at this point that there are many consultants who provide sound, proper advice. I'm sure the majority of health care consultants operate within the law and with integrity. The problem is, there is no way to know how many consultants are providing bad advice. There is no mandatory accreditation or certification for health care consultants. Anybody can put out a shingle and call themselves health care consultants. It is the less than scrupulous consultants who are the subject of this hearing.

