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NEW LEGISLATION TO TARGET MEDICARE FRAUD

On September 16, 2010, Representatives Pete Stark and Wally Herger introduced legislation that would allow Medicare to ban corporate executives from doing business with it if the corporate executive's corporation had been convicted of fraud. The ban could be instituted against the executive even when the conviction occurred after the executive left the organization. According to Representative Stark, the legislation allows Medicare "to go after crooked executives and corporations that continue to bill Medicare."

UNITED HEALTH CARE

Florida Hospital and United Healthcare finally agreed to the terms of a four-year contract after ten months of negotiations. The contract allows the 400,000 people insured by United Healthcare to continue using Florida Hospital's facilities and physicians. According to reports, protracted negotiations were due in part to United Healthcare's reluctance to pay for readmissions due to hospital acquired conditions including preventable infections. Medicare has similar limitations on the payment for hospital acquired conditions.

NEW CMS RULES TO REDUCE FRAUD

On September 20, 2010, the Centers for Medicare and Medicaid Services announced that it would publish new rules designed to give CMS more power to investigate fraud. The new rules will allow CMS to suspend payment to providers and suppliers when there is a credible allegation of fraud, prohibit state Medicaid programs from using providers and suppliers that have been excluded by CMS, and rate providers and suppliers based upon the risk of fraud and require high risk providers to undergo fingerprinting and criminal background checks. According to CMS, the new rules will allow CMS to reduce the estimated \$55 billion in improper payments it makes each year.

FLORIDA MEDICAID INVESTIGATING HOSPITALS

The Florida Attorney General's Office is investigating the Medicaid billings of 18 hospitals. The investigation involves bills submitted to Medicaid for emergency room services. All Children's Hospital, St. Joseph's Hospital and Lakeland Regional Medical Center already agreed to a settlement with Florida Medicaid without admitting any wrongdoing. The three hospitals paid a combined total of \$566,004 to settle the claims by the Attorney General's Office. Several other large hospital systems were still under investigation by Attorney General's Office including Jackson Memorial, Baptist Hospital, Miami Children's, Homestead, Memorial Regional and North Broward according to the Miami Herald.