

MEMORANDUM

Date: May 6, 2011

To: All House Members

From: Representative Tony DeLuca

Subject: Co-Sponsorship of Legislation: **Administrative Prosecution of Insurance Fraud**

In the near future, I will be introducing legislation that amends Title 35 (Health and Safety) to better police the health care licensee community. Specifically, I have developed legislation to suspend or revoke the licenses of health care providers who defraud the Medicaid system or health care programs administered by the state, such as CHIP.

According to the *Journal of the American Medical Association*, nearly one-third of doctors exaggerate the severity of a patient's illness in order to aid the individual in staying longer at the hospital. The U.S. spends \$2 trillion+ on health care annually. At least 3% of that spending—or \$68 billion—is annually lost to fraud.

Merely fining medical professionals does not demonstrate a strong enough consequence for committing fraud in the health care system. The stricter punishment of revoking a professional's medical license will deter health care providers from committing the serious crime of fraud.

In my legislation, executive agencies will be required to deny or revoke licenses beyond the current law for:

1. False representation of a material fact in a license application, or omission of a material fact in an application;
2. Intentional or negligent act materially affecting the health or safety of a client;
3. a violation of law;
4. demonstrated pattern of deficient performance;
5. current exclusion, suspension or termination from participation in the MA or other health care program.

I hope you will join me in co-sponsoring this important bill and if you would like to do so, please contact Stacia Longenecker at slongene@pahouse.net or at 787-4437 2011.