

April 1, 2014

The Honorable Bill Nelson
716 Senate Hart Office Building
United States Senate
Washington, D.C. 20510

Dear Senator Nelson:

Thank you for providing the National Health Care Anti-Fraud Association (NHCAA) with the opportunity to review your draft legislation, the "Stop Schemes and Crimes Against Medicare and Seniors (Stop SCAMS) Act."

Established in 1985, NHCAA is the leading national organization focused exclusively on combating health care fraud and abuse. NHCAA has been a private-public partnership since its founding, making it uncommon among associations. Our members comprise more than 80 of the nation's most prominent private health insurers, together with nearly 120 federal, state and local government law enforcement and regulatory agencies that have jurisdiction over health care fraud who participate in NHCAA as law enforcement liaisons. A list of our members is attached.

The Stop SCAMS Act includes several provisions worthy of consideration. While NHCAA supports the various ideas expressed throughout the bill, Section 4, "Supporting Public and Private Information Sharing to Prevent Health Care Fraud," is of particular interest.

Advancing the concept of anti-fraud information sharing has been the primary focus of NHCAA's work for nearly three decades. Our experience has taught us that information sharing offers our very best chance of success in effectively and systemically preventing, detecting and combating health care fraud. As such, the exchange of anti-fraud information between and among public and private payers of health care is critical to the success of anti-fraud efforts and should be encouraged and strengthened. Your legislation aims to do just that.

The Healthcare Fraud Prevention Partnership (HFPP), referenced in your bill, is a relatively new, joint initiative of the U.S. Department of Health & Human Services and the Department of Justice. It is a voluntary public-private partnership between the federal government, state officials, private health insurance organizations, and health care anti-fraud associations, like NHCAA, which aims to foster a proactive approach to detect and prevent health care fraud across public and private payers.

We believe the HFPP offers great promise for fraud fighting in Medicare as well as the rest of our health care system, and NHCAA enthusiastically supports your proposal to provide HFPP participants

immunity from civil liability for sharing and exchanging anti-fraud data and information in good faith and without malice.

For many years, NHCAA has supported the idea of a federal immunity statute to help facilitate a more free exchange of anti-fraud information. Although many states provide immunity for fraud reporting (typically to law enforcement and regulatory agencies, although protections, as well as reporting requirements, vary by state), there exists no federal protection for insurers that share information with one another about suspected health care fraud. As a result, many health care payers are often reluctant to fully participate in the sharing of anti-fraud data and information for fear of the potential legal risk such sharing raises.

NHCAA believes that we should remove unnecessary obstacles that inhibit fraud fighting efforts, and that providing protections for organizations that share information and data concerning suspected health care fraud is a reasonable and prudent step to take. The protection offered in Section 4 of the Stop SCAMS Act would do a great deal to advance health care fraud fighting and we lend our support.

Other concepts described in the Stop SCAMS Act hold promise for combating health care fraud as well. For instance, assessing the impact of medical classification coding sets (such as ICD-10) on fraud prevention and detection efforts and ensuring that newly adopted coding sets are fully tested prior to being implemented are important ideas which NHCAA supports. With the recent legislation delaying the implementation of ICD-10 until October 2015, there will now exist ample time to ensure sufficient "end-to-end testing" as described in your bill.

Additionally, the provision in your bill that requires taking steps to verify the ownership interests of providers under Medicare is a sensible safeguard to help protect the Medicare Trust Fund which we also strongly support.

NHCAA applauds your efforts to address the serious problem of Medicare fraud, and we hope the Stop SCAMS Act receives favorable consideration among your colleagues. Please let us know if we can be of additional assistance.

Sincerely,



Louis Saccoccio
Chief Executive Officer

Enclosure