GAO Report Prompts Hearing on Nursing Homes

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he Government Accountability Office has called on the Centers for Medicare and Medicaid Services to strengthen enforcement for nursing facilities that violate federal quality standards, particularly those with histories of deficiencies. The Senate Special Committee on Aging called attention to the Government Accountability Office report in a hearing.

The GAO report that prompted the hearing focused on 63 nursing facilities with a history of serious quality problems that had been the subject of earlier GAO reviews in 1998 and 1999. GAO found that a small but significant share of nursing homes continue to experience quality of care problems, with almost one in five nursing homes cited for serious deficiencies (those that caused actual harm or placed residents in immediate jeopardy) in fiscal year 2006.

According to Sen. Herb Kohl (D-Wisc.),

Federal Team Arrests 38 for Medicare Fraud

multiagency "strike force" targeting A fraudulent Medicare billing related to infusion therapy and durable medical equipment recently made 38 arrests.

The arrests, all in south Florida, mark the first phase of operations of the team of federal, state, and local investigators. The team began its operations in March using both real-time analysis of billing data from Medicare and claims data extracted from the Health Care Information System.

In May, the departments of Justice and Health and Human Services jointly announced that the multiagency team had obtained indictments of individuals and health care companies alleged to have collectively billed the Medicare program for more than \$142 million. The charges include conspiracy to defraud the Medicare program, criminal false claims, and violations of the antikickback statutes.

The antifraud efforts drew praise from Senate Finance Committee Chairman Max Baucus (D-Mont.).

'Federal health dollars are just too scarce to lose to fraud and abuse in Medicare," he said in a statement. "I'm glad to see the Justice Department taking this new, more aggressive stance against scams that endanger Medicare patients and that rob all taxpayers who contribute to America's health care programs.'

Sen. Baucus had recently expressed concern about reports of durable medical equipment fraud in South Florida. In one recent instance, the Health and Human Services inspector general found that many medical device suppliers were not at their advertised addresses but were still billing Medicare for millions of dollars in reimbursement.

-Mary Ellen Schneider

committee chair, "This is unacceptable and raises questions about how and why our enforcement system is failing."

Kathryn G. Allen, director, health care—Medicaid and private health insurance issues, at GAO, acknowledged CMS improvements in enforcement, including implementation of an immediate sanctions policy for nursing homes with repeat violations of resident harm. It also is developing a new enforcement management data system. However, the GAO

review revealed that, despite improvements in federal enforcement policies, many nursing homes continue to "cycle in and out of compliance, harming residents while avoiding sanctions."

GAO also cited significant variation across states in the citation of serious deficiencies and in the understatement of

Civil monetary penalties (CMPs) might not provide sufficient incentive to maintain compliance, according to GAO, as they are not collected until appeals are exhausted.

In addition, CMPs are typically on the low end of the allowable range. For example, the median CMP per day ranged from \$350 to \$500, significantly below the maximum of \$3,000 per day.

In addition, GAO said, the complexity of CMS's immediate sanctions policy hampered its effectiveness, "allow[ing] some homes with the worst compliance histories—the very homes the policy was de-

