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# United States Senate

COMMITTEE ON THE BUDGET  
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June 19, 2018

The Honorable Alex M. Azar  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20210

Dear Secretary Azar:

Improper payments continue to be a major problem for the federal government. The Government Accountability Office (GAO) estimates that government-wide improper payments totaled \$141 billion in fiscal year 2017.<sup>1</sup> The Department of Health and Human Services (HHS) estimates that approximately \$89 billion, or 63 percent of all improper payments, were made within the Medicare and Medicaid programs.<sup>2</sup> We are deeply concerned by the substantial amount of improper payments in these two programs. Your attention to this matter is needed to ensure that taxpayer dollars are adequately safeguarded.

On April 4, 2018, Comptroller General Gene Dodaro sent you a letter noting that 14 of GAO's priority recommendations for reducing improper payments in Medicaid and Medicare remain open or have not yet been fully addressed.<sup>3</sup> These program integrity efforts target waste, fraud, and abuse within the current system and could be implemented without additional action from Congress. They include the following:

- Identifying opportunities to address barriers that limit States' participation in collaborative audits for Medicaid;
- Taking immediate steps to assess and improve data available for Medicaid program oversight;
- Requiring States to measure quantifiable benefits, such as cost reductions or avoidance, achieved as a result of operating information systems to help prevent and detect improper payments; and

<sup>1</sup> U.S. Gov. Accountability Office, GAO-18-377, *Improper Payments: Actions and Guidance Could Help Address Issues and Inconsistencies in Estimation Processes* 1 (2018), <https://www.gao.gov/assets/700/692207.pdf>.

<sup>2</sup> Dep't of Health and Hum. Servs., *FY2017 Agency Financial Report* at 184 (2017), <https://www.hhs.gov/sites/default/files/fy-2017-hhs-agency-financial-report.pdf>

<sup>3</sup> Letter from Gene L. Dodaro, Comptroller General of the United States, to the Hon. Alex M. Azar, Secretary, U.S. Dep't of Health and Human Services (Apr. 4, 2018).

- Monitoring the Recovery Audit Data Warehouse to ensure that all Medicare post-payment review contractors are submitting required data and that the database contents are accurate and complete.

Acting on the outstanding GAO recommendations is essential to reducing the amount of improper payments in these programs and could extend the life of Medicare's Hospital Insurance trust fund.

As members of the Senate Budget Committee, we believe that a high priority must be placed on reducing improper payments and ensuring proper stewardship of taxpayer dollars. To assist the committee in its oversight of this issue, please provide written responses to the following:

1. The current status of actions taken by your department on each GAO recommendation;
2. Information about the department's plans to take corrective action and implement outstanding GAO recommendations, including timelines for completion;
3. For recommendations where HHS is not in agreement with GAO, please explain the source of the disagreement and describe any plans your department has for addressing the issues identified by GAO.

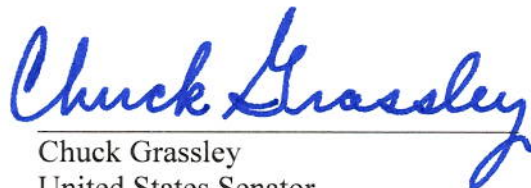
Please provide written responses by no later than July 20, 2018. In addition, we ask that your office brief Senate Budget Committee staff quarterly on the status of these open recommendations.

Thank you in advance for your prompt attention to this matter. If you have any questions about this request, please have your staff contact John Lin on the Budget Committee staff by email at [John\\_Lin@budget.senate.gov](mailto:John_Lin@budget.senate.gov) or by phone at (202) 224-3728.

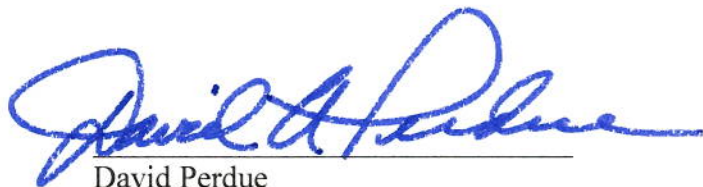
Sincerely,



Michael B. Enzi  
Chairman



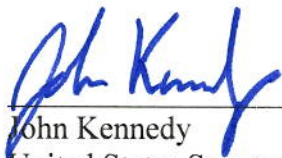
Chuck Grassley  
United States Senator



David Perdue  
United States Senator



Ron Johnson  
United States Senator



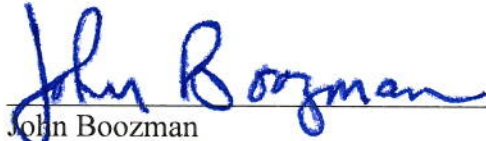
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John Kennedy  
United States Senator



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Bob Corker  
United States Senator



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John Boozman  
United States Senator



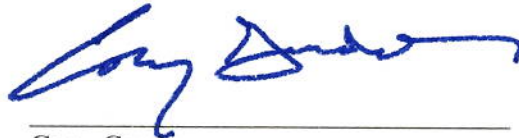
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Tom Cotton  
United States Senator



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Patrick J. Toomey  
United States Senator



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Cory Gardner  
United States Senator

Cc: Administrator Seema Verma, Center for Medicare and Medicaid Services