

Recent Program Integrity Developments

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NASDDDS, in collaboration with key partners, continues to develop resources and tools to support states in strengthening efforts to prevent, detect, and address fraud, waste, and abuse (FWA) in HCBS. Two new member resources are now available: a summary document highlighting key themes from recent CMS and House Energy and Commerce Committee Medicaid PI letters to states, and a self-assessment tool designed to help state agencies review current structures and protections and identify opportunities to strengthen FWA prevention, detection, and enforcement efforts.

Other recent Medicaid program integrity developments include:

Congressional Activity

The House Committee on Oversight and Government Reform Chairman James Comer (R-KY) announced a new Committee task force, the Task Force on Defending Constitutional Rights and Exposing Institutional Abuses, focused on institutional abuses and federal program oversight. The panel has announced that its first hearing will be “Universal Basic Fraud: Vulnerabilities in Medicaid Waiver Programs,” examining allegations of fraud in Ohio’s HCBS waiver program.

Rep. Comer has also introduced the [Stopping.Fraudulent.Payments.Act?legislation](#) that gives broad authority to federal agencies and the Secretary of the Treasury to block federal payments to individuals, nonprofit organizations, communities, and states when an agency has determined there is an elevated risk of fraud or the payment is likely to be improper. Read the bill or track its progress at <https://www.congress.gov/bill/119th-congress/house-bill/8464>.

The Committee marked up this and nine other fraud-related bills, passing several out of committee with unanimous or near-unanimous support. These include:

- the Federal Fraud Prevention Workforce Training Act ([H.R. 8428](#)), introduced by Reps. Glenn Grothman (R-WI) and Raja Krishnamoorthi (D-IL), which would standardize how federal employees are trained to detect and prevent fraud across the government;

- the Zeroing Out Monetary Benefits Improperly Expended (ZOMBIE) Act, which requires agencies to conduct more comprehensive and ongoing fraud risk assessments focused on improper payments that result in financial loss to the government;
- the Taxpayer Resources Used in Emergencies Accountability Act (TRUE Accountability Act), which aims to enhance oversight and management of federal spending during emergencies such as disasters, pandemics, or economic crises;
- The Taxpayer Funds Oversight and Accountability Act (H.R. 8340), co-led by Congressman William Timmons (R-SC) and Congressman Dave Min (D-CA), updates federal financial management standards, strengthens the role of agency Chief Financial Officers by clearly assigning responsibility for internal controls, financial systems, and risk management, while requiring agencies to connect spending decisions to measurable performance outcomes;
- The Timely and Accurate Benefits Act (H.R. 1755), another Timmons bill, which requires states to use the U.S. Treasury’s Do Not Pay system to confirm eligibility before federally funded benefit payments are sent out, and updates how income is counted to account for contract income, gig work, and rental income; and,
- H.R. 8107, the Government.Audit.and.Accountability.of.Federally.Funded.State-Administered.Programs.Act?which directs GAO (Government Accountability Office) to produce a recurring report identifying the federally funded, state-administered programs most vulnerable to waste, fraud, and abuse.

Two bills, the Stopping Fraudulent Payments Act and Fraud Prevention and Accountability Act, to establish fraud prevention and program integrity functions and data sharing authorities within the Department of Treasury and a permanent governmentwide Inspector General for Fraud, Accountability, and Recovery, passed along party lines, with all Republicans voting yes and all Democrats voting no.

Administrative Activity

Last month, the Centers for Medicare & Medicaid Services (CMS) deferred \$1.1 billion in federal funding tied to California’s In-Home Supportive Services (IHSS) program. CMS Administrator Mehmet Oz indicated that California’s “home health” spending is growing at twice the rate of other states and that CMS will withhold federal funds until the state can explain why. State Medicaid director Tyler Sadwith said in a press release that the program’s growth has been intentional and attributed it to three factors: a larger caseload,

higher hourly wages for home health workers, and more hours logged as workers serve more people with greater needs.

Federal officials also announced charges against 15 people who allegedly targeted over \$90 million from seven state-managed HCBS programs in Minnesota in an action the Justice Department called the Minnesota Health Care Fraud Takedown. The Department also announced a significant expansion of the Division's Health Care Fraud Section, allocating funding to permit the hiring of 15 new Trial Attorney positions to combat Medicaid fraud across the United States.