



National Association of State Medicaid Directors

an affiliate of the American Public Human Services Association

September 23, 2009

The Honorable Thomas R. Carper
United States Senate
513 Hart Building
Washington, DC 20510

Re: 60 day rule Amendment Carper D#3 to Chairman's Mark

Dear Senator Carper,

On behalf of the National Association of State Medicaid Directors (NASMD) we applaud your work on Health Care Reform. We are writing to express our support of your amendment to the 60 day rule (Carper D#3). We know that both state and federal interests are best served when the State Medicaid agency is diligent in identifying and recovering dollars lost through waste, fraud, and abuse. However, under the current regulation, states are liable for 100% of the overpayment and/or losses due to fraud and abuse once they are identified. In cases where providers may flee the jurisdiction, but which the state can't demonstrate are bankrupt or out of business the state bears the entire burden for recovering losses and must refund the federal share regardless of whether the funds can be recouped. We believe that the losses due to fraud and abuse should be shared between the states and federal government. This rule needs to be more consistent and clear so that states are not penalized for their diligent work in pursuing waste, fraud, and abuse when the money proves to be uncollectible.

Thank you for your time and attention to this request. Should you have any questions please feel free to contact me at 202-682-0100 x299.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Clemency Kohler".

Ann Clemency Kohler
NASMD Director

Cc: Cindy Mann, CMSO