



## Trump's Budget Proposal: Increased Spending for Health Care Fraud Enforcement

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Recently, President Donald J. Trump released his first proposed budget. Amidst headline-making cuts to agencies such as the Environmental Protection Agency, the State Department and the Department of Agriculture and spending increases for the Departments of Defense and Homeland Security, the President's budget proposal allocates \$751 million in discretionary funding for the Health Care Fraud and Abuse Control Program (HCFAC) in 2018. That amount is \$70 million more than the annualized continuing resolution level. In fiscal year 2016, HCFAC's total allocation was already \$1,959,858,324, an increase of 25% since 2014. President Trump's \$751 million discretionary allocation proposal represents an increase of more than 10% in discretionary funding and another meaningful increase in overall funding to combat health care fraud and abuse.

The HCFAC touts that, in fiscal year 2016, the federal government won or negotiated over \$2.5 billion in health care fraud or abuse judgments and settlements. In that year, the Department of Justice opened 975 new criminal health care fraud investigations resulting in federal prosecutors filing criminal charges in 480 cases involving 802 defendants. In 2016, the Health and Human Services' Office of Inspector General (OIG) excluded 3,635 individuals and entities from participation in Medicare, Medicaid and other federal health plans. The federal government boasts that, from 2014 to 2016, the HCFAC returned \$5.00 for every \$1.00 it expended.

President Trump's proposed budget action continues the recent health care reform trend of increasing spending to combat fraud and abuse. Earlier efforts to increase funding for HCFAC came in The Patient Protection and Affordable Care Act (ACA), which provided an additional \$350 million over ten years to the program. The ACA also provided the OIG with the authority to impose stronger civil and monetary penalties on parties found to have committed fraud or abuse.

Health and Human Services' Annual Report for Fiscal Year 2016 indicates that ramped-up enforcement actions impact all types of providers. The report highlights successful criminal and civil investigations with ambulance service providers, clinics, device companies, drug companies and DME providers, among many others.

While President Trump's proposed budget continues earlier efforts to increase fraud and abuse enforcement activities, its additional allocation to fight fraud and abuse is meaningful. An increase in the HCFAC budget will inevitably result in more investigations as the HCFAC program feels the pressure to recoup losses related to waste, fraud and abuse.

## **Related People**

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