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**CONTACT:**

Karyn Price, Hamilton Strategies  
[kprice@hamiltonstrategies.com](mailto:kprice@hamiltonstrategies.com), 610-584-1096 (office), 215-858-1184 (mobile)  
Deborah Hamilton, Hamilton Strategies  
[DHamilton@HamiltonStrategies.com](mailto:DHamilton@HamiltonStrategies.com), 215-815-7716 (mobile), 610-584-1096 (office)

## **CCHF Questions Definitions of Fraud, Waste and Abuse in Medicare, States Lack of Definitions Will Create Denials of Necessary Care**

*House Committee Hearing on Medicare Challenges Doesn't Propose Solutions to Major Fraud Issues*

**Key Facts:**

- The House Energy and Commerce Subcommittee on Health met last week to hear testimony on ways to reduce fraud, waste, and abuse in Medicare.
- Because the terms “fraud,” “waste,” and “abuse” are not clearly defined, under Obamacare the Independent Payment Advisory Board – or IPAB – may be able to define uncommon treatment options as wasteful and can refuse payment for such treatments, even if they could be life-saving.
- The *Citizens' Council for Health Freedom (CCHF)* states that if left undefined, curbing “wasteful” Medicare spending could lead to denial of care for citizens on the program.

**ST. PAUL, Minn.** – The House Energy and Commerce Subcommittee on Health met last Wednesday to hear testimony on ways to reduce fraud, waste, and abuse in the Medicare system. While few deny the need to reform Medicare and cut payments based on fraudulent claims by common thieves, the lack of definitions around “fraud,” “waste,” and “abuse” are troubling, according to the [Citizens' Council for Health Freedom \(CCHF\)](http://www.cchffreedom.org).

Under Obamacare, the Independent Payment Advisory Board, or IPAB – a fifteen-member United States Government agency created in the Obamacare law in 2010 – has the authority to determine payment standards related to treatment for all types of ailments from the flu to cancer. If a patient's doctor recommends a treatment outside of the IPAB's standards, there is a potential for the treatment being deemed “wasteful,” in which case Medicare would not cover it, even if

for the particular patient involved, the treatment had life-saving potential. If a physician-prescribed treatment is deemed unnecessary for payment, a provider ordering that treatment might be accused of attempting to defraud the government.

***“Without clear definitions about what constitutes fraud, waste and abuse, citizens are at the IPAB’s mercy when it comes to receiving clearance for specific treatments,” said Twila Brase, President of the Citizens’ Council for Health Freedom. “If the IPAB does not have or set clear boundaries about what is waste and what is a justified expense, then expensive yet effective treatment options are likely to be denied as wasteful based on their extreme cost, and the possible impact on a patient’s long-term prognosis relative to the cost of the care.”***

Of further concern is the testimony of the Secure ID Coalition at these hearings. The Secure ID Coalition, which advocates for an electronic, secure, “smart” card, stated in their testimony that through use of a smart card, “only authenticated transactions” would be processed through Medicare – meaning treatments that are not authenticated through IPAB would be automatically rejected on the smart card system, regardless of true need.

***“While I’m sure there is fraud from thieves trying to scam the system and this needs to be stopped, it cannot be at the expense of the high-quality care and private doctor-patient relationship that has been central to American healthcare and its success,” concluded Brase. “To prevent denials of necessary treatment options, clear boundaries and definitions must be determined before crackdowns occur.”***

The **CCHF** is calling on the House to identify appropriate boundaries and definitions for its discussion of “fraud, waste and abuse” in Medicare in order to prevent citizens, particularly seniors, from being denied potentially life-saving treatment through the Obamacare Medicare model.

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**Twila Brase** is president and co-founder of the **Citizens’ Council for Health Freedom**. She has been called one of the “100 Most Powerful People in Health Care” and one of “Minnesota’s 100 Most Influential Health Care Leaders.” The Council’s efforts have stopped government-issued treatment directives, added informed consent requirements for access to patient data and defeated a proposed Health Insurance Exchange. Brase’s daily radio commentary, **Health Freedom Minute**, is a 60-second radio address on pressing health care issues. She has been interviewed by CNN, Fox News, Minnesota Public Radio, NBC Nightly News, NBC’s Today Show, NPR, New York Public Radio, the Associated Press, Modern Healthcare, TIME, The Wall Street Journal, The Washington Post and The Washington Times, among others.