



**Testimony of the**  
**National Health Care Anti-Fraud Association**  
**to the House Insurance Committee**  
**House of Representatives, Commonwealth of Pennsylvania**  
**January 28, 2010**

Chairman DeLuca, and the members of the Pennsylvania House Insurance Committee, thank you for providing the opportunity to submit testimony and share our views on the important issue of identifying and preventing health care fraud and specifically the critical role that information sharing plays in health care fraud investigations.

The National Health Care Anti-Fraud Association (NHCAA) was formed in 1985 by private health insurers together with government agencies responsible for the investigation of health care fraud. As a private-public partnership against health care fraud, one of NHCAA's primary purposes is to serve as a forum and catalyst for the sharing of information about health care fraud investigations and emerging health care fraud schemes. Our members comprise the nation's most prominent private health insurers as well as those Federal, state and local government law enforcement and regulatory agencies having jurisdiction over health care fraud.

NHCAA's Mission is to protect and serve the public interest by increasing awareness and improving the detection, investigation, civil and criminal prosecution and prevention of health care fraud.



NHCAA pursues that Mission by:

- Maintaining a strong private/public partnership in combating health care fraud;
- Providing unparalleled learning opportunities through The NHCAA Institute for Health Care Fraud Prevention;
- Providing opportunities for private- and public-sector information sharing on health care fraud investigations and issues;
- Serving as a national resource for health care anti-fraud information and professional assistance to government, industry and the media; and
- Recognizing and advancing professional specialization in the detection, and investigation and/or prosecution of health care fraud through accreditation of health care anti-fraud professionals.

Our Members include 84 private-sector insurance members representing 200+ corporate entities, 77 public-sector members representing Federal, state and local government departments and agencies, and 500+ individual members who are typically health care fraud investigative personnel.

NHCAA represents those professionals who serve as the first line of defense against health care fraud, which we estimate conservatively accounts for 3 percent of our nation's annual health care spending—or \$69 billion. Other estimates by government and law enforcement agencies such as the FBI place the loss due to health care fraud as high as 10 percent of our annual health care expenditure—or an astounding \$230 billion.

#### The Challenge of Health Care Fraud

Health care fraud is a pervasive and costly drain on the United States health care system. In 2008 (the most recent year for which full statistics are available), Americans spent \$2.3 trillion dollars on health care.<sup>1</sup> Of those trillions of dollars, the Federal Bureau of Investigation (FBI)

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<sup>1</sup> See Department of Health & Human Services, Centers for Medicare & Medicaid Services, National Health Expenditures: <http://www.cms.hhs.gov/NationalHealthExpendData>













