



National Association of State
Auditors, Comptrollers and Treasurers

WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 February 11, 2013

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Government Reform Committee Goes After Spending Fraud

The House Oversight and Government Reform Committee held a hearing last Tuesday to continue examining waste, fraud, abuse and mismanagement in federal spending programs and their effects on the federal government's current fiscal path. This hearing is the latest in a long line of inquiries by the Oversight Committee into this topic over the past several years. According to a committee press release, billions could be saved by simply ending improper payments following recommendations from inspectors general, and eliminating structural duplication and overlap. The hearing featured Dan Blair, president of the National Academy of Public Administration, and Jonathan Kamensky, senior fellow at the IBM Center for The Business of Government.

Mr. Blair told the committee:

“Collaboration between federal, state, local, and private sector stakeholders is key to improving program delivery and minimizing waste, fraud, and abuse... the Academy became the administrator of the Office of Management and Budget (OMB)'s Collaborative Forum, which consists of stakeholders nationwide who work to develop pilot projects that test innovations in how states administer federally funded programs. These innovations are intended to support one or more of the goals of OMB's Partnership Fund for Program Integrity Innovation: (1) improve payment accuracy, (2) improve service delivery, (3) improve administrative efficiency, and (4) reduce barriers to program access.”

Mr. Kamensky echoed that sentiment, adding “Approaches pioneered by the Administration's Recovery Board, in preventing rather than recovering improper payments, show the value in applying a concerted

effort on this issue.”

Full testimony from all panelists, as well as the hearing video, can be found at <http://oversight.house.gov/hearing/government-spending-how-can-we-best-address-the-billions-of-dollars-wasted-every-year/>.

President Officially Sends His Nominees for CMS, SEC to Senate

Last week, President Obama officially sent his nominations for two key positions to the Senate to begin the process of confirmation hearings. For the Administrator of the Centers for Medicare and Medicaid Services, Mr. Obama nominated Marilyn Tavenner, who is currently serving as acting administrator. Mr. Obama also nominated defense attorney Mary Jo White to be chairman of the U.S. Securities and Exchange Commission for the remainder of the term vacated by Mary Schapiro last year, expiring in June 2014, as well as a reappointment measure for the term expiring June 5, 2019.

Time for States to Modernize Medicaid Systems: GOVERNING Webinar

GOVERNING magazine held a webinar last Wednesday that focused on the issue of upcoming health care system modernization by states. The webinar, entitled “Modernizing Integrated Eligibility for Medicaid and Social Services: What States Are Doing and Why,” examined the Social Services Maturity Model, which addresses how to:

- Assess organization's modernization progress-to-date.
- Improve data quality and interoperability.
- Automate manual processes, improve constituent communications, and avoid

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costs.

- Improve data analytics.

The presentation explained that:

- Medicaid has grown to 24 percent of state spending.
- States are looking at spending nearly \$5 billion in Health and Human Services program modernizations over the next two years.

The Patient Protection and Affordable Care Act of 2012 mandates major modernization for integrated eligibility systems for Medicaid and social services. Tight compliance deadlines are in the near future for states, so agencies will need to quickly assess the current state of their systems and develop an actionable migration strategy.

The webinar can be viewed at www.governing.com/events/webinars/Modernizing-Integrated-Eligibility-for-Medicaid-and-Social-Services.html.

The Week Ahead: Investor Protection and High-Risk Programs

The Senate Banking Committee will conduct a hearing this Thursday, Feb. 14, to look at financial stability and protections for consumers and investors based on the Dodd-Frank Act. The hearing, entitled “Wall Street Reform: Oversight of Financial Stability and Consumer and Investor Protections,” will feature Elisse Walter, chairman of the U.S. Securities and Exchange Commission, as well as Mary Miller, under secretary for domestic finance at the Treasury Department, and Richard Cordray, director of the Consumer Financial Protection Bureau.

Hearing details and testimony will be found at

http://www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=84abcfc3-9dd8-49ec-b5c0-2f75c618f075.

Also on Thursday, the House Oversight and Government Reform Committee will have its first look at the U.S. Government Accountability Office’s 2013 report on the most vulnerable federal programs and agencies. Every two years, GAO provides Congress with an update in its “High Risk Program,” which highlights major areas that are at high risk for waste, fraud, abuse, or mismanagement, or are in need of broad reform. The 2011 GAO high risk update noted that there are billions of dollars in estimated Medicare and Medicaid improper payments. They also stated that effective implementation of the Improper Payments Elimination and Recovery Act of 2010 will be a key factor in determining the overall effectiveness of reducing improper payments in the Medicare and Medicaid programs.

The hearing, entitled “Exploring GAO’s High Risk List and Opportunities for Reform,” will be found at <http://oversight.house.gov/hearing/exploring-gaos-high-risk-list-and-opportunities-for-reform-2/>.