

An Association of Independent Blue Cross and Blue Shield Plans

May 1, 2014

The Honorable Bill Nelson Chairman Senate Special Committee on Aging G31 Dirksen Building Washington, D.C. 20510

The Honorable Susan Collins Ranking Member Senate Special Committee on Aging 628 Hart Building Washington, D.C. 20510

Dear Chairman Nelson and Ranking Member Collins:

On behalf of the BlueCross BlueShield Association (BCBSA) and our member health plans, I am writing to express our appreciation for your work on the issue of Medicare Fraud reduction and your pending legislation, the "Stop Schemes and Crimes against Medicare and Seniors Act."

The 37 Blue Cross and Blue Shield companies cover 100 million Americans and offer healthcare coverage in all 50 states, the District of Columbia and Puerto Rico. In that light, we are strongly encouraged by your efforts to improve fraud prevention in federal health programs.

We believe that by adopting some of the private insurance system's innovative tools and techniques that are found in your legislation, we can greatly increase the detection of fraud upfront – before it occurs – and, as a result, decrease overall healthcare costs for the entire system. We want to recognize these important provisions in your legislation that shift the government away from a "pay and chase" approach, to a more modern, private-sector approach to combating fraud.

We particularly appreciate your legislation's thoughtful focus on preventing fraud in connection with the implementation of new medical codes and requiring the independent verification of provider ownership interests. Attention to these areas offers significant promise for reducing fraud and protecting taxpayer dollars.

Your legislation makes substantive progress in shoring up the integrity of Medicare payment systems and ensuring that government becomes more effective at meeting the healthcare needs of Medicare beneficiaries.

Thank you again for your leadership and bipartisan work on this important issue.

Yours in good health,

Alissa Fox

Senior Vice President,

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Office of Policy and Representation