



# THE PLAIN DEALER

## Audit: U.S. picks up health-care tab for private insurers

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Washington- About 13 percent of Medicaid beneficiaries have private insurance that should pay their health care bills, but that doesn't always happen, congressional auditors said Tuesday. Federal law requires Medicaid, the nation's health care program for the poor, to be the payer of last resort. That means that if a beneficiary has health care coverage from another source, that source should pay before Medicaid does.

But Census Bureau data shows that many poor people report having Medicaid coverage year-round while having private insurance for at least part of that year. That raises the question of who is billed for their trips to the doctor and whether taxpayers are needlessly being stuck with medical bills in the hundreds of millions of dollars.

Medicaid, which is paid for by the states and the federal government, provides health care for about 56 million poor people. The estimated tab for 2004 was \$298 billion.

Officials suspect people turn to Medicaid because their out-of-pocket expenses are less than under private insurance. In a survey of 39 states, the Government Accountability Office found that 27 states had difficulty trying to verify whether their beneficiaries also had private coverage. Some insurers, citing privacy law, do not grant states electronic access to their customer information. Ten of those states estimated their total losses as at least \$54 million annually.

In almost all the states, officials reported problems collecting payments from private insurers even after they or a contractor determined that Medicaid paid for a service it shouldn't have. Fourteen of those states estimated their total losses as at least \$184 million annually.

The GAO recommended that the Centers for Medicare and Medicaid Services, which administers both health care programs, give states guidance on when their new laws should take effect and which businesses would be required to provide them with coverage information. Officials at the Centers for Medicare and Medicaid Services agreed with the recommendation.

Sen. Charles Grassley, Republican of Iowa, chairman of the Senate Finance Committee, which oversees the programs, urged the government to help states be more aggressive about recovering payments.

The percentage of people with both Medicaid and private insurance ranged from lows of 9 percent in Alabama, Arizona and California to highs of 22 percent and 23 percent in Iowa, South Dakota and Wyoming.

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