

History of Medicaid Fraud Control Units

Medicaid, authorized under title XIX of the Social Security Act, is a federally aided, State administered medical assistance program for low-income persons. Each State is allowed to set use and dollar limitations on the amount, duration, and scope of Medicaid coverage. The Federal/State Medicaid program is the result of legislation enacted in 1965, which provided for State administered and Federally monitored financing of medical services for needy families. In the original legislation, no specific provisions were included for investigative or prosecutive entities to carry out law enforcement activities. By 1977, Medicaid had grown to a \$19 billion program and it was estimated the Medicaid fraud and abuse caused losses of at least \$653 million annually. These losses were threatening the integrity of the Medicaid program, and enactment of fraud control legislation was one of the major steps by Congress to curtail such losses.

The Medicare-Medicaid Anti-Fraud and Abuse Amendments, which authorized the establishment and funding for Medicaid Fraud Control Units (MFCUs), were passed by both Houses of Congress and signed into law on October 25, 1977. The objective of this law, Public Law (P.L.) 95-142, was " . . . to strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the Medicare and Medicaid programs. . . "

