



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Wednesday, October 11, 2006

Grassley works to safeguard integrity of Medicare payments

WASHINGTON— Sen. Chuck Grassley today said that the federal government needs to keep up-to-date the focus of the program that's responsible for safeguarding the integrity of Medicare payments.

“The Medicare Integrity Program plays an important role in making sure that Medicare payments aren't made improperly and therefore wasted,” Grassley said. “Medicare officials need to make sure the resources of this watchdog program are directed to areas that require the most attention.”

Grassley based his comments on the findings of a new report from the Government Accountability Office: “Medicare Integrity Program: Agency Approach for Allocating Funds Should be Revised.” The independent review said that the Centers for Medicare and Medicaid Services does not have the means to determine the effectiveness of each of its fraud fighting activities and how the money should be allocated between them. The new analysis (GAO-06-813) determined that because of programmatic changes within the Centers for Medicare and Medicaid Services, like that of the new prescription drug benefit, the agency’s current approach will not be adequate for making allocation decisions in the future.

The report of the Government Accountability Office concluded that the Centers for Medicare and Medicaid Services should develop a new method of allocating funds. Recommendations suggest that the Centers for Medicare and Medicaid Services base their allocation of funding on qualitative measures that consider a specific activity’s workloads and risks, rather than quantitative measures the program has used in the past.

Medicare Integrity Program funding goes to Medicare contractors to conduct five activities designed to safeguard Medicare payments. The activities include audits of cost reports; medical reviews of claims to determine whether services provided are medically reasonable and necessary; determinations of whether Medicare or other insurance sources have primary responsibility for payment; identification and investigation of potential fraud cases; and education to inform providers about appropriate billing procedures.

Grassley is Chairman of the Senate Committee on Finance, which is responsible for Medicare and Medicaid legislation and oversight of these federal health care programs.