COMMITTEE ON FINANCE
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Max Baucus (D-Mont.)
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BAUCUS SAYS POSSIBLE OVERUSE OF MEDICARE SERVICES A CAUSE FOR CONCERN

New Medicare study strengthens case for reform; identifies risk of overservice, disparities in regional care

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today called on the Centers for Medicare and Medicaid Services (CMS) to review and adjust payments to health care providers after new findings revealed disproportionate Medicare spending and potentially dangerous overuse of services in certain regions of the United States. In a report issued by the Government Accountability Office (GAO), certain physician services were found to be performed more frequently in some parts of the U.S. than in others without explanation. Senator Baucus commissioned the report because of the fiscally vulnerable state of Medicare.

"This report makes clear that serious work remains in determining why the use of certain services under Medicare – like imaging and minor procedures – is much higher in certain parts of the country than others, irrespective of a patient's real need, health status or the availability of doctors. Moreover, the potential abuse and excessive spending revealed in this report is further evidence the status quo of rising health care costs is unacceptable for America's seniors and the long-term fiscal health of the Medicare program," said Baucus. **"I've put forward a balanced, common sense plan to protect seniors, rein in costs and improve the quality of health care for all Americans. I expect CMS to heed this report and I will work with them to assess its outcomes as we continue to move comprehensive health care reform through the Finance Committee and Congress."**

GAO found a significant increase in the use of Medicare services between 2000 and 2008 that reflects a trend of high and growing levels of service consistent with earlier reports of increased Medicare spending from 2000 to 2005. This increase in utilization was found to be regional, as certain areas of the U.S. spend more per beneficiary than factors such as health status would indicate is necessary. Additionally, certain procedures are performed more frequently in these overserved areas despite similar demographics and capacity to provide health care. The report also found that overserved areas were not necessarily correlated with better health outcomes for patients.

The full GAO report, "Utilization Trends Indicate Sustained Beneficiary Access with High and Growing Levels of Service in Some Areas of the Nation," may be viewed here: **http://www.gao.gov/new.items/d09559.pdf**.

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