



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release
Tuesday, December 14, 2004

Contact: Liz Fowler
202-224-4515

Baucus Responds to Announcement of Medicare Error Rate *Senator Concerned over Extent of Improper Payments*

(WASHINGTON, D.C.) – U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, today expressed concern over the Medicare error rate, a measure of improper payments calculated and publicized annually by the Centers for Medicare & Medicaid Services (CMS). CMS reported that the net Medicare error rate for Fiscal Year 2004 was 9.3 percent, which translates into nearly \$20 billion in improper payments. This year, for the first time, CMS measured the error rate using a new process that relies on more detailed data and contractor-specific information.

“We must do a better job of reducing payment errors,” Baucus said. “The 41 million Medicare beneficiaries who rely on the program for their healthcare deserve better,” he continued, “particularly in a time of tight budgets and a program that faces impending fiscal challenges as the baby boom generation nears retirement.”

The 9.3 percent error rate is the highest for the Medicare program since 1997.

“I was pleased to hear that CMS Administrator Dr. Mark McClellan has committed to expanding Medicare oversight in an effort to reduce the error rate, and I intend to hold him to his word. Clearly, \$20 billion is an unacceptably high margin of error in this program.”

###