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Grassley applauds CMS, urges agency to keep up efforts to safeguard Medicare dollars

WASHINGTON — Sen. Chuck Grassley praised the Centers for Medicare and Medicaid Services today for the reduction in improper Medicare payments over the last year.

“I never shy away from riding herd on the Centers for Medicare and Medicaid Services because of Congress’ responsibility to conduct oversight and the obligation of the federal bureaucracy to watch over every dollar it administers,” Grassley said. “Today the Centers for Medicare and Medicaid Services deserves recognition for those efforts paying off. The agency has proven that when it spends time to make sure those given Medicare provider numbers are really who they say they are, tax dollars are safeguarded and there’s more money left for beneficiaries. The positive results should encourage more of the same so that further gains can be made.”

The Centers for Medicare and Medicaid Services delivered a report to Congress today that shows the Medicare program has reduced its overall improper payment rate from more than 10 percent in 2004 to 3.9 percent in early 2007. The amount Medicare improperly paid was \$10.8 billion for the period of April 1, 2006 to March 31, 2007, according to this latest analysis. This report on the accuracy of Medicare payments is completed annually by the Centers for Medicare and Medicaid Services. In addition to the overall error rate, officials calculate rates by type of error, including medically unnecessary services; insufficient or lack of documentation; and incorrect coding. Rates are also calculated by contractor type, including carriers, fiscal intermediaries and durable medical equipment regional carriers.

This year, improper payment rates for medically unnecessary services and for claims with insufficient or lack of documentation all saw reductions. The report also indicates that problems continue with payments for durable medical equipment.

Grassley is Ranking Member of the Senate Committee on Finance, which is responsible for Medicare legislation and oversight.