

Part B Insider (Multispecialty) Coding Alert

Medicare Funding: Can Medicare Make It To 2028?

Slow cost growth continues for Medicare programs, says Trustees' Report.

The latest Medicare Trustees' Report was released on June 22, bringing with it both positive and negative outcomes for the future of Medicare Part A.

The lowdown on Part A: The good news is that Part A is predicted to be "fully funded" until 2028, which, according to the CMS press release, is "11 years longer than projected in 2009 before the passage of the Affordable Care Act." Unfortunately, this news means that the projections have actually declined from last year's report, which suggested Part A would be solvent until 2030.

According to the report, Medicare expenditures have been low, "averaging 1.4 percent over the last five years, slower than GDP per capita (2.9 percent) and overall health expenditures per capita (3.4 percent)," and they will continue to be less than the output of other national healthcare programs. However, it is suggested that some increases will be seen over the next decade with a population boom of the elderly.

Parts B and D Should Sustain

"The Trustees project that both Part B (which pays doctors' bills and other outpatient expenses) and Part D (which pays for prescription drug coverage) will remain adequately financed into the indefinite future," says A Summary of the 2016 Annual Reports by the

Social Security and Medicare Boards of Trustees, "because current law provides financing from general revenues and beneficiary premiums each year to meet the next year's expected costs."

Slavitt Chimes In

Although the news may sound daunting to the medical community, CMS reps were quick to remind practices that Medicare has been around for decades and should continue to stay.

"Per-Medicare beneficiary cost growth continues to be exceptionally low," said Andy Slavitt, acting administrator of CMS in the agency's June 22 news release. "For more than five decades, Medicare has provided financial security and accessible healthcare to millions. With growing numbers of Americans relying on Medicare, it's our job to continue the hard work to strengthen Medicare and the health care system as a whole."

Resources: To read the 2016 Trustees Report in its entirety, visit <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2016.pdf>.

To read the quick summary of all 2016 annual reports by the Trustees, visit <https://www.ssa.gov/OACT/TRSUM/index.html>.