

Part B Insider (Multispecialty) Coding Alert

MEDICARE FUNDING: Medicare Program Risks Going Broke, Report Says

With Part A funding about to bottom out, Part B could be at risk as well

The recent widely-reported news about Medicare going broke by 2019 was not an early April Fool's joke.

Part A spending is growing faster than taxes are coming in to pay for the program, and the Part A coffers will be empty by 2019 unless the government takes action, according to the 2008 -Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds,- which was published on March 25.

The report notes that Part B is safe for now, but not indefinitely. -The Part B and Part D accounts - are adequately financed under current law, since premium and general revenue income are reset each year to match expected costs,- the report states. -Such financing, however, would have to increase rapidly to match expected expenditure growth under current law.-

Some lawmakers view the new report as a scare tactic. -Reports of Medicare's death have been greatly exaggerated,- said **Congressman Pete Stark (D-Calif.)** in a statement. -Though the trigger has been pulled by Republican ideologues, this year's Trustees report shows that Medicare remains solvent and sustainable. The trigger is an arbitrary threshold designed to scare people into thinking we can't afford to continue Medicare as an entitlement. The fact is that we can't afford not to.-

The possibility of the Part B funds running low in the future will be even more likely if legislators decide to eradicate the 10 percent physician fee reductions that are supposed to kick in this July, the report notes. But physician advocacy groups scoff at the suggestion that future Medicare funding should come from cutting physician fees now.

-Trying to save Medicare money by slashing physician payments will ruin the physician foundation of Medicare for current and future generations of seniors,- said **Edward Langston, MD**, an **AMA** board chair, in a March 25 statement, calling the notion of cutting funds now to increase future Medicare funding -penny wise and pound foolish.-

To read the entire report, visit www.cms.hhs.gov/ReportsTrustFunds/downloads/tr2008.pdf.