

## Part B Insider (Multispecialty) Coding Alert

### Medicare Funding: Medicare Risks Going Broke in 2024, Trustees' Report Says.

**CMS says it is making changes to ensure the program stays funded longer than projected.**

The recent widely-reported news about Medicare going broke by 2024 was not a late April Fool's joke, unfortunately.

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 2024 unless the government takes action, according to the "2011 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds," which was published on May 13.

Part B and Part D accounts "are adequately financed under current law, since premium and general revenue income are reset each year to match the expected costs," the report notes. "Such financing, however, would have to increase faster than the economy to match expected expenditure growth under current law."

#### **ACA Allowed for Eight Extra Years of Part A Funding**

Despite the bleak outlook, CMS reps were quick to point out that changes implemented by the Affordable Care Act (ACA) allowed the Medicare program to stay funded eight years longer than previously expected. Prior calculations suggested that without the ACA, the Medicare Hospital Insurance Trust Fund would have gone broke in just five years, in 2016.

"This report shows that without the Affordable Care Act, the outlook for the Hospital Insurance Trust Fund today would be much worse, said CMS Administrator **Donald Berwick, MD** in a May 13 statement. "CMS is implementing critical reforms to improve care and reduce costs and improve the overall health of Medicare's beneficiaries and the Trust Fund."

Several members of Congress vowed to repair the Trust Fund so beneficiaries won't face insurance outages when 2024 comes around. "Now is the time to work together to correct the unsustainable path of these programs," said Congressman **Adrian Smith (R-NE)** in a May 13 statement regarding the solvency of Medicare and Social Security.

To read the complete Trustees' Report, visit [www.cms.gov/ReportsTrustFunds/downloads/tr2011.pdf](http://www.cms.gov/ReportsTrustFunds/downloads/tr2011.pdf).