

Part B Insider (Multispecialty) Coding Alert

Medicare Growth Shrinks--But More Cuts On The Way

The growth rate in Medicare spending -slowed considerably- during the period from 1992 to 2003, as compared with the period from 1975-1983, according to a -working paper- by the **Congressional Budget Office**.

CBO analyst **Chapin White** compared -excess- growth per-beneficiary during those two periods, and found that Medicare had grown by only 0.9 percent during the more recent period, compared with 5.5 percent in the earlier period. White defined -excess growth- as growth above economic expansion and the growing numbers of elderly people. (Access White's study online at www.cbo.gov/ftpdocs/74xx/doc7453/2006-08.pdf.)

This analysis bucks the conventional wisdom--and it's not an official CBO forecast, White cautions. It certainly won't stop some policymakers from calling for more cuts to Medicare spending.

In his first address as Treasury Secretary, **Henry Paulson** said the skyrocketing costs of Medicare (and Social Security) threaten the country's financial well-being, according to Investment News. He vowed to make reforming both programs his first task as Secretary.