

## Part B Insider (Multispecialty) Coding Alert

### Physician Notes: CMS 'Cooked the Books' And Reported An Inaccurate Error Rate, New OIG Report Indicates

Plus: Practices that are part of CMS' Physician Practice Group Demonstration Project earned a total of nearly \$17 million in bonuses

CMS may have boasted that it slashed inappropriate spending in 2006, but the agency allegedly overlooked nearly \$2.8 billion in improper Medicare spending, according to a late-breaking new report.

On Aug. 21, the New York Times reported that the OIG will soon issue a document indicating that CMS "told outside auditors to ignore government policies that would have accurately measured fraud." If the auditors had properly reviewed the records, they would have found about \$2.8 billion more in improper spending by DME suppliers, the Times article indicates.

Congress members are outraged by what they refer to as CMS' attempt to "cook the books."

Look to the Insider in the coming weeks for more information when the OIG issues its final report on this subject.

#### In other news ...

- **CMS appears to be getting its feet wet in pay-for-performance, announcing high marks for the participants of its PGP program.**

In an Aug. 14 news release, CMS announced that each of the 10 groups participating in the Physician Group Practice (PGP) program "improved the quality of care delivered to patients with congestive heart failure, coronary artery disease, and diabetes mellitus during performance year two of the demonstration."

Because the participating groups met their pre-set benchmarks, they collected bonus payments totaling \$16.7 million.

"We are paying for better outcomes and we are getting higher quality and more value for the Medicare dollar," said CMS Acting Administrator **Kerry Weems** in the statement.

Weems also appeared to confirm what many analysts had already suspected -- that the pilot program is simply an "audition" for a move to pay-for-performance.

"These results show that by working in collaboration with the physician groups on new and innovative ways to reimburse for high quality care, we are on the right track to find a better way to pay physicians."

For more on the program, visit <http://www.cms.hhs.gov>.