

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN NOTES: Medicare Remains Among OIG's Biggest Challenges

Earlier this week, the **HHS Office of Inspector General** (OIG) released a summary of its **Top Management Challenges**. In the summary, the OIG noted that it intends to come up with -innovative strategies- to improve services in these areas.

Top on the list was oversight of Medicare Part D, which involves coordination between government agencies, private drug plan sponsors and outside contractors. In fact, the OIG report noted that -Part D sponsors owed Medicare more than \$4 billion for plan year 2006, with 80 percent of sponsors owing money to Medicare.-

Also on the OIG report was the integrity of Medicare payments, which is at high risk of errors due to the -size and scope of the Medicare program.- But because the 2006 gross paid claims error rate of 4.4 percent was 0.8 percentage points lower than the 2005 rate, the OIG acknowledges that there has been an improvement.

To read the summary of the OIG report, visit www.oig.hhs.gov/publications/challenges/files/TM_Summary07.pdf.

In other news-

- **Medicare Advantage may not be the money-saver that the government originally thought.**

The **Government Accountability Office** (GAO) announced in a Feb. 28 report that Medicare spends more per beneficiary on Medicare Advan-tage patients than for those in the original Medicare fee-for-service program. The report disputes CMS- previous announcement that Medicare Advantage saves \$1,100 per beneficiary each year over traditional Medi-care programs.

- **Growth in U.S. healthcare spending is expected to shoot up 6.7 percent annually**, according to a Feb. 26 CMS announcement.

CMS- Office of the Actuary analyzed healthcare spending and determined that between 2007 and 2017, healthcare growth spending would be higher than the annual growth rate of the overall economy and general inflation.

By 2017, the report says, -health-care spending in the United States is expected just over \$4.3 trillion and comprise 19.5 percent of the GDP [gross domestic product].-

-The cost of health care continues to be a real and pressing concern,- said **CMS Acting Administrator Kerry Weems** in a statement. -Making sure we are paying for high quality health care services, not just the number of services provided, is just one of the most critical issues facing the American public and the federal government now and in the future. This projection of health care spending reminds us that we need to accelerate our efforts to improve our health care delivery system to make sure that Medicare and Medicaid are sustainable for future generations of beneficiaries and taxpayers.-