



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Expresses Concern Over Medicare Overpayments for Ambulance Services

WASHINGTON -- Sen. Chuck Grassley, chairman of the Committee on Finance, expressed concern over a new report released today by the Office of Inspector General for the Department of Health and Human Services (OIG) regarding overpayments made by the Medicare program for ambulance services. The report highlighted overpayments made by Medicare to ambulance providers that transport Medicare patients from hospital to hospital to receive specialized treatment.

These overpayments occurred as a result of ambulance providers billing the Medicare carrier directly, when they should have billed the hospital that already received Medicare funds for this expense. As a result, Medicare overpaid \$21.7 million between 2001 to 2003 and Medicaid overpaid more than \$6.2 million. The OIG noted that neither the Centers for Medicare and Medicaid Services (CMS) nor the Medicare carriers had in place a computerized system to detect the overpayments.

“These overpayments are a big problem for Medicare,” Grassley said. “When Medicare overpays for service, it’s spending money that isn’t providing services for other beneficiaries. CMS needs to take the recommendations of the inspector general to heart and prevent Medicare from continuing to pay twice for the same service.”

The report will be available on the OIG’s website this afternoon.