



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Monday, October 4, 2004

Grassley works to safeguard Medicare appeals process for beneficiaries

WASHINGTON — Sen. Chuck Grassley said today that the Medicare appeals process should not be compromised because of poor planning and lack of coordination between two federal agencies.

The chairman of the Senate Finance Committee, which is responsible for Medicare legislation, reacted strongly to a new report by the Government Accountability Office that cites possible interruption of service to Medicare appellants due to a transfer plan that was mandated in the new Medicare law.

"The appeals process is an essential part of the Medicare program providing due process to all Medicare beneficiaries," Grassley said. "It's alarming that the GAO found that the transfer plan submitted to Congress by the Social Security Administration and the Department of Health and Human Services lacks detailed information needed to transfer the Medicare appeals process from one agency to the other in a timely and effective manner."

The Medicare appeals process is typically used by beneficiaries and providers to dispute Part A, Part B and soon Part D claims denied payment by the Centers for Medicare and Medicaid Services. This process gives providers and beneficiaries an avenue in which to present their case for payment before an independent Administrative Law Judge. Hearings may take place either in person, by phone or by video conference.

The transfer plan submitted jointly by the Social Security Administration and the Department of Health and Human Services was mandated in the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (P.L. 108-173) and reviewed by the GAO. In the report titled "Medicare: Incomplete Plan to Transfer Appeals Workload from SSA to HHS Threatens Service to Appellants," the GAO found that appellant service could be compromised if HHS and SSA do not provide a more detailed transfer plan which includes contingency provisions and information regarding timelines for specific provisions.

Grassley said that what concerned him the most was Figure 2 in the report, "Completeness of Medicare Appeals Transfer Plan," showing that most of the plan elements required in the MMA did not contain sufficient information. Additionally, the figure shows that

only one element of the plan contained a contingency provision. This new GAO report can be found at www.gao.gov. It is report number GAO 05-45.

"Congressional oversight of this transfer needs to make sure that a timely and successful appeals process is established for all Medicare beneficiaries by October 1, 2005," Grassley said. The senator indicated that he and Sen. Max Baucus, the ranking member of the Finance Committee, will ask the GAO to continue monitoring the transfer of the Medicare appeals process.