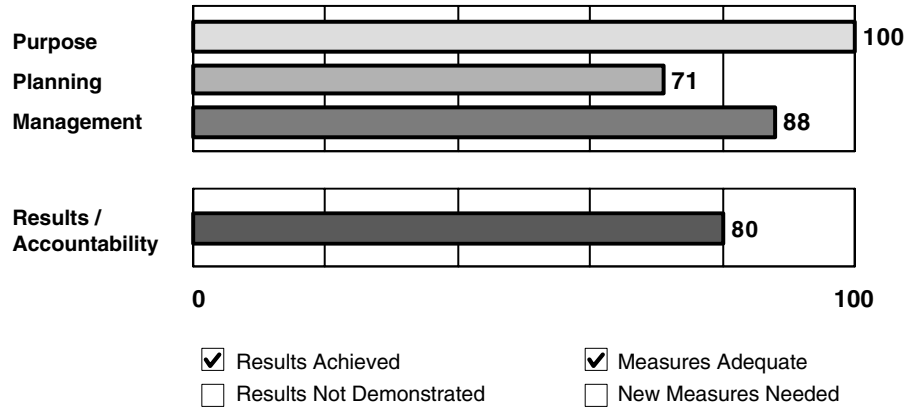


**Program: Medicare Integrity Program (HCFAC)**

**Agency:** Department of Health and Human Services

**Bureau:** Centers for Medicare and Medicaid Services



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Medicare national fee-for-service error rate	1996		14%
	2000	7%	6.8%
	2001	6%	6.3%
	2008	4%	
Long-term Measure: Percentage of contractor-specific error rates below national Medicare error rate	2005	25%	
	2006	50%	
	2007	75%	
	2008	100%	
Long-term Measure: Provider compliance error rates versus previous year (Baseline under development)	2005	+20%	
	2006	+20%	
	2007	+20%	
	2008	+20%	

**Rating: Effective**

**Program Type:** Block / Formula Grants

**Program Summary:**

This program funds a variety of efforts to fight fraud and abuse in the Medicare program.

The assessment found the program purpose is clear and is reflected in the reduction of the Medicare Error Rate, which measures the level of erroneous fee-for-service claims. The Medicare error rate, the key measure of the program's overall effectiveness, has declined from 14 percent of fee-for-service payments in 1996 to 6.3 percent in 2001. Additional findings include:

1. The program is well managed and relies on performance measures, such as the Medicare error rate, that are directly relevant to its purpose.
2. The Administration is developing sub-national performance measures that will identify more specific error rates. In addition, the Administration is developing provider compliance rates to identify providers that may require additional assistance billing accurately for Medicare services.
3. Although the program has an effective national performance measure, it does not require its partners to commit to national or subnational error rates.
4. CMS hires contractors on a cost basis, and budgets most MIP funds based on activity level (e.g. number of claims reviewed). As a result, a contractor's reimbursement is unaffected by the number of claims payment errors made.

In response to these findings, the Administration will:

1. Complete development of contractor specific error rates and require contractors to commit to reducing their error rates.
2. Pursue the "Performance-based Outcomes Pilot" that will explore linking award fees to performance.

**Program Funding Level (in millions of dollars)**

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
700	720	720