



2005 OCT 18 PM 12:41

The Honorable Thomas Carper  
Senate Committee on Homeland Security and Governmental Affairs  
Subcommittee on Federal Financial Management, Government Information, and  
International Security  
513 Hart Senate Office Building  
Washington, DC 20510

Dear Mr. Carper:

Thank you for giving the Centers for Medicare & Medicaid Services (CMS) the opportunity to testify before the Senate Committee on Homeland Security and Governmental Affairs Subcommittee on Federal Financial Management, Government Information, and International Security regarding Improper Payments in Medicare and Medicaid on July 12, 2005.

Enclosed is the answer to a question submitted for the record by Senator Coburn. A copy of this information also has been sent to Chairman Coburn.

Your continued interest and support are essential for the Medicare and Medicaid programs' success. If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Linda E. Fishman  
Director  
Office of Legislation

Enclosure

Question for the Record  
Submitted by  
Senator Tom Coburn

1. In its November 2004 Performance and Accountability Report (PAR), CMS articulated it would be able to provide improper payment estimates for Medicaid by fiscal year 2006. This is cited in Table 1: “Programs Required to Report under A-11 and Projected Year of Improper Payment Estimates,” on page 10 of GAO’s Report: *“Financial Management: Challenges in Meeting Requirements of the Improper Payments Information Act” March, 2005 (GAO-05-417)*.

However, on page six of your written testimony, you state:

“Based on these assessments of the pilots and comments on the rule, we plan to publish an Interim Final Rule later this summer that will lay out CMS’s strategy for full-IPIA compliance in Medicaid and SCHIP, including managed care, eligibility and FFS components, in time for reporting in the FY 2008 Performance and Accountability Report.”

Could you please explain to me the reason for this discrepancy?

Answer: CMS initially planned to implement Medicaid payment error rate measurement in fiscal year 2005 for reporting in the fiscal year 2006 Performance and Accountability Report. However, CMS changed its strategy and is working closely with OMB to finalize an approach for national implementation. CMS expects to report Medicaid and SCHIP improper payment estimates that are fully compliant with the requirements contained in the IPIA and OMB guidance by fiscal year 2008.