



Medicare: Today's Issue

February 13, 2004

BETTER BENEFITS – MORE CHOICES

Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!

More Responsive Medicare Appeals Reform for Beneficiaries and Providers:

For years, Medicare beneficiaries and providers have complained about the delays and complexity in appealing Medicare determinations. The Administration and Congress heard those complaints and in the new Medicare, Prescription Drug, Improvement and Modernization Act enacted a series of changes that respond to the need for timely review while at the same time safeguarding tax payer dollars.

- ❖ Transfer of Responsibility for Medicare Appeals – The new Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires the Department of Health and Human Services (HHS) and the Social Security Administration (SSA) to develop a plan to transfer the Medicare hearings function currently performed by SSA to HHS, while maintaining the independence of the administrative law judges hearing the cases.
- ❖ Process for Expedited Access to Review:
 - ♣ The Medicare Modernization Act requires the Secretary of Health and Human Services to establish a process, which will expedite access to judicial review for legal issues that cannot be resolved administratively.
 - ♣ The MMA also requires expedited review of certain provider agreement determinations, such as the termination of provider participation agreements or when certain other immediate remedies such as civil monetary penalties are being imposed.
 - ♣ Finally, the MMA requires the Secretary to establish a process for waiving disapproval of nurse-aide training programs if an imposed civil money penalty (CMP) is not related to quality of care.
- ❖ Revisions to Medicare Appeals Process – The MMA reforms the current Medicare appeals process regarding presentation of evidence, notice requirements, and changes the requirements for qualified independent contractors (QICs). Additionally, the new law reduces the number of QICs required by Section 521 of the Benefits Improvement and protection Act of 2000 (BIPA) from twelve to four and strengthens the independence requirements for QICs and for reviewers.
- ❖ Revisions to Appeals Timeframes and Amounts – The MMA extends the timeframes for decision-making and reconsiderations during the early phases of the appeals process (contractor and QIC) to 60 days from 30 days. Beginning in 2005, the new law also requires the dollar amounts in controversy to be adjusted annually by the percent increase of the medical care component of the consumer price index for urban consumers.