The Underlying Problem

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1. What is the underlying problem?
Medicare has an impossible task. Congress expects Medicare to provide quality medical care for the Medicare beneficiaries. However, Congress does not give Medicare enough money to meet this goal.

2. If Congress won’t pay for Medicare, what can Medicare do?
Medicare is doing the only thing it can do: Medicare is rigidly enforcing all the rules that apply before payment is made, and Medicare is aggressively going after any “improper” payment after payment is made.

3. Who is getting squeezed as a result of this payment dispute?
The providers are the ones caught in the middle of this quality care versus inadequate funding dispute.

4. Why are you helping Medicare to avoid paying for your services?
A lot of providers tell me they don’t want to appeal denied claims because it will be at least three years before an Administrative Law Judge (ALJ) will hear the dispute. But if you have a pipeline of
denials, you will eventually reach the end of those three years with a litany of claims that will be adjudicated, one after the next, by the ALJs.

You should be looking at your denied claims as an annuity that won’t start paying out until three years from now. You must look at it like this. Otherwise, you will be giving up income you cannot afford to surrender. Take the long view.

5. How did we get here?
The answer is simple: When Medicare went into effect in 1966, there were 19 million people receiving Medicare benefits and life expectancy for the average American was 70 years. By 2015, there were 55.5 million people receiving Medicare benefits and life expectancy was 78.8 years.

In addition to three times as many beneficiaries and a longer average life span, the annual cost of care for the average beneficiary has skyrocketed due to new technology (e.g., MRI studies, CT scans, and artificial joints). And the enhanced safety of general anesthesia enables Medicare patients to undergo surgical procedures not considered reasonably safe in 1966.

6. What does the future hold?
If things weren’t bad enough, the Congressional Budget Office (CBO) projected a $25 billion cut to Medicare in 2018 alone as a result of the GOP tax bill. And that tax bill calls for automatic annual cuts to Medicare going forward.

7. What does all this mean for providers?
The Medicare provider must know the Medicare billing rules that apply to all of the provider’s services. And the provider must know how to appeal when a claim has been erroneously denied or when the provider receives an erroneous demand for repayment of overpayment.

Providers who cannot successfully appeal erroneously denied claims or appeal erroneous demands for repayment of overpayment are looking at financial disaster.

8. Are providers being treated as adversaries by Medicare?
Unfortunately, yes.

Are most of your denied services or supplies medically reasonable and necessary based on the clinical facts? If Medicare appeals were limited to this question, this book would not be necessary because providers would be winning their appeals without any extra help.

9. What is the only cure for this problem?
Unless and until providers unite and fight back, it is only going to get worse.