

BAUCUS, HATCH RELEASE REPORT SHOWING NEED FOR INCREASED OVERSIGHT IN MEDICAID PAYMENT PROGRAMS

GAO Report Part of Senators' Continued Efforts to Eliminate Federal Waste, Save Taxpayer Dollars

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Orrin Hatch (R-Utah) today released [a report from the Government Accountability Office](#) (GAO) examining the oversight of Medicaid program payments. The report, entitled *Medicaid: More Transparency of and Accountability for Supplemental Payments Are Needed*, examined the Centers for Medicare and Medicaid Services' (CMS) oversight of Medicaid supplemental payments. Medicaid makes supplemental payments specifically to help offset any remaining costs of care for Medicaid patients and, in some cases, uninsured patients. Senators Baucus and Hatch requested the report as part of their ongoing efforts to eliminate waste in federal health programs and save taxpayer dollars.

“This report illustrates the need to have an open process and to ensure Medicaid is effective, transparent and that every taxpayer dollar is put to good use,” Senator Baucus said. **“I am committed to additional oversight and accountability measures to help fulfill that promise and will continue to drive down costs and strengthen Medicaid.”**

“As demonstrated by GAO, current oversight of the Medicaid supplemental payment system falls woefully short, raising serious questions as to whether taxpayer dollars are being used as they are intended,” said Hatch. **“Every time Medicaid dollars fail to be applied for Medicaid purposes, taxpayers' hard-earned money simply falls by the way side and the most vulnerable patients ultimately suffer. It's past time we act to restore the fiscal integrity of the Medicaid program and work to create aggressive oversight policies that will guarantee the transparency and accountability American taxpayers deserve.”**

The GAO report outlines the federal oversight of the two types of supplemental payments under Medicaid: disproportionate share hospital (DSH) and non-disproportional share hospital payments. Currently, CMS audits and requires reporting of DSH payments to determine compliance with six DSH requirements. However, the

report found that a lack of oversight exists for non-DSH payments due to a lack of independent audits, non-DHS payment specific reporting and uniform guidance on acceptable methods for calculating the amount of payments. GAO reported that “without information on allocations of non-DSH payments to individual providers, CMS and others are unable to identify or assess total Medicaid funding received by individual providers and how Medicaid payments relate to providers' Medicaid costs.”