

# CMS Seeks Tighter Reins for Part D, Advantage

BY MARY ELLEN SCHNEIDER  
New York Bureau

Officials at the Centers for Medicare and Medicaid Services are proposing changes to the Medicare Part D prescription drug plans and Medicare Advantage plans in an effort to strengthen oversight of the programs.

The proposal includes mandatory self-reporting aimed at curbing potential fraud and misconduct by plans. The CMS proposal also includes changes to streamline the process of intermediate sanctions and contract determinations. In addition, the proposal clarifies the process for imposing civil money penalties.

"While the majority of Medicare Advantage and Medicare Prescription Drug Plans that offer important benefits to beneficiaries are conducting themselves professionally, it is important for CMS to be able to take swift action to safeguard beneficiaries from unlawful or questionable business practices," Leslie Norwalk, acting CMS administrator, said in a statement.

## Federal Team Arrests 38 for Medicare Fraud

A multiagency "strike force" targeting fraudulent Medicare billing related to infusion therapy and durable medical equipment recently made 38 arrests.

The arrests, all in South Florida, mark the first operational phase of the team of federal, state, and local investigators. The team began its operations in March using both real-time analysis of billing data from Medicare and claims data extracted from the Health Care Information System.

In May, the departments of Justice and Health and Human Services jointly announced that the multiagency team had obtained indictments of individuals and health care companies alleged to have collectively billed the Medicare program for more than \$142 million. The charges include conspiracy to defraud the Medicare program, criminal false claims, and violations of the antikickback statutes.

The antifraud efforts drew praise from Senate Finance Committee Chairman Max Baucus (D-Mont.).

"Federal health dollars are just too scarce to lose to fraud and abuse in Medicare," he said in a statement. "I'm glad to see the Justice Department taking this new, more aggressive stance against scams that endanger Medicare patients and that rob all taxpayers who contribute to America's health care programs."

Sen. Baucus had recently expressed concern about reports of durable medical equipment fraud in South Florida. In one recent instance, the Health and Human Services inspector general found that many medical device suppliers were not at their advertised addresses but were still billing Medicare for millions of dollars in reimbursement.

—Mary Ellen Schneider

But the Bush administration is falling short in policing the marketing practices of Medicare Advantage plans, according to Robert M. Hayes, president of the Medicare Rights Center. Mr. Hayes has called on Congress to establish clear safeguards against "abusive and deceptive" marketing practices and to give state governments the power to enforce those standards. He also called on Congress to establish minimum benefit standards and standardize benefit packages to allow for

better consumer comparison of plans.

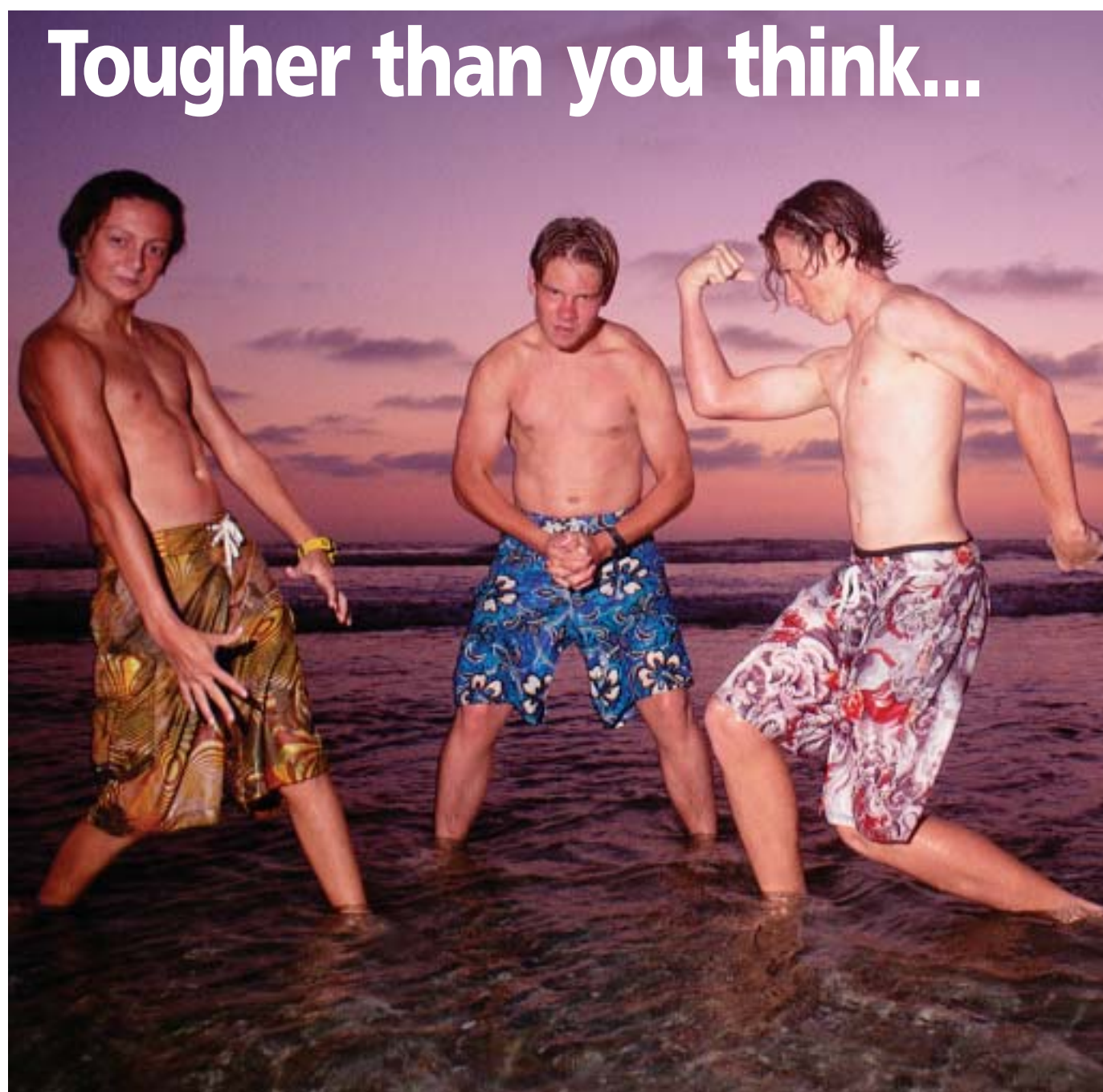
Officials at the American Medical Association are also reporting problems with Medicare Advantage plans. An online survey of more than 2,200 AMA member physicians conducted in March found that patients had difficulty understanding how the Medicare Advantage plans work or have experienced coverage denials for services that were typically covered under traditional Medicare plans.

For example, 84% of physicians with pa-

tients in Medicare Advantage plans reported that their patients had difficulty understanding the plans. About 80% of physicians with patients in Medicare Advantage private fee-for-service plans also reported confusion among their patients.

More than half of physicians also reported excessive hold times and excessive documentation requested by payers with both types of Medicare Advantage plans.

CMS is accepting comments on the proposal through July 24. ■



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