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# Congress of the United States

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April 19, 2002

The Honorable Ralph Regula  
Chairman  
Committee on Appropriations  
Subcommittee on Labor, Health, and Human Services and Education  
2358 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Regula,

We request that you include in the supplemental appropriations bill the funds to implement the Medicare coverage and appeals reforms as required by the Benefit Improvement and Protection Act. The Centers for Medicare and Medicaid Services (CMS) have informed us that \$147 million is needed so that beneficiaries no longer have to wait several years to receive a decision. The law required implementation of Section 522 by October 1, 2001 and Section 521 by October 1, 2002 but, if no administrative funding is provided, CMS cannot begin the first step of the process -- contracting for the Qualified Independent Contractors -- until sometime in FY 2003. Consequently, both statutory requirements would be missed by CMS.

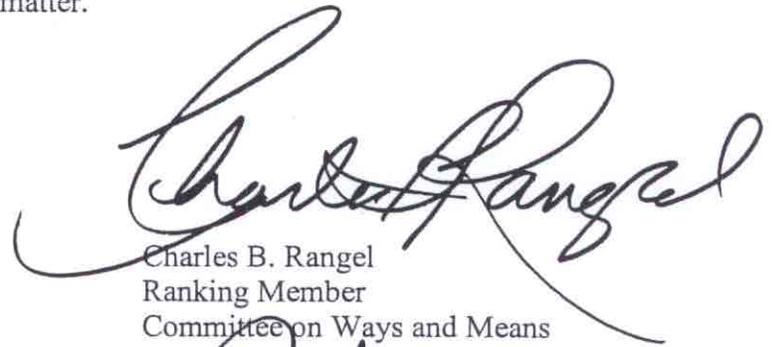
We believe these are important provisions that will ensure an efficient and effective Medicare program. According to CMS, if an appeal goes through the Departmental Appeals Board level, the process takes, on average, 1,214 days. It seems no exaggeration, as beneficiary advocates state, that some beneficiaries are dead before their appeals are decided. In addition, the number of claims that are overturned at the Administrative Law Judge (ALJ) level, which is currently the first independent level of review, is staggering -- 81 percent of home health appeals were overturned in 1996 and 78 percent of Durable Medical Equipment appeals were reversed in 1997 (Office of the Inspector General (OIG) 1999). The current system is in a crisis and beneficiaries are paying the price.

Thank you for your consideration of this matter.

Sincerely,



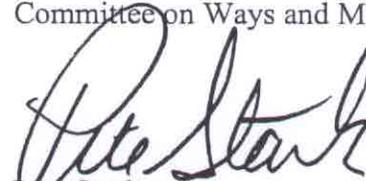
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cc The Honorable David Obey, Ranking Member

WMT/dw