



PRESS RELEASE

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CONTACT: Kristin Walter

kristin.walter@rubinmeyer.com (202) 898-0995

Top 10 States with Highest Medicare Waste *Waste Chief Reason Medicare Predicted to be Bankrupt by 2028*

Washington, D.C. – The Council for Medicare Integrity (CMI) today released an analysis of improper payments made within the Medicare Fee-For-Service (FFS) program. The analysis looks at the amount of [Medicare overpayments](#) collected from providers by Recovery Audit Contractors in each state in FY2015 and crosses that data with the number of Medicare beneficiaries in each state in 2015, to arrive at an amount of taxpayer dollars wasted per beneficiary in each state.

Medicare overpayments are generally made when a provider misbills the program for the services they provided to a patient, most often billing to a code that pays out at a higher rate than what's approved.

“Medicare loses more money to improper payments than any other program government wide – more than \$43 billion was lost from the program this way in FY2015 alone,” said Kristin Walter, spokesperson for the Council for Medicare Integrity. “These improper payments are causing Medicare to hemorrhage billions of dollars desperately needed to help sustain the program. Medicare Trustees now predict that at current spending levels and with the expected influx of new beneficiaries, Medicare will be bankrupt by 2028. It's more important than ever that everyone become aware of this problem and that work is done to drastically reduce improper payments in Medicare to sustain the program for those who will need it in the future.”

In tabulating the data, CMI found that for the second year in a row, the District of Columbia ranked highest in the United States for Medicare waste per beneficiary, with \$30.90 wasted per Medicare beneficiary. This is especially surprising because the District of Columbia has the nation's smallest number of Medicare beneficiaries, according to the Centers for Medicare and Medicaid Services (CMS). In reviewing the data, CMI found that the District of Columbia wasted more than double the amount per beneficiary than the lowest ranked state on the list – Arkansas.

Top 10 States With Highest Medicare Waste

State		FY2015 Overpayments ⁴	Medicare Beneficiaries ⁵	Waste Per Beneficia
1.	District of Columbia	\$2,350,794.37	76,076	\$30.90
2.	Delaware	\$3,675,074.70	163,003	\$22.55
3.	Texas	\$50,244,702.35	2,436,297	\$20.62
4.	New Jersey	\$22,656,610.89	1,252,414	\$18.09
5.	Oklahoma	\$9,918,964.26	557,128	\$17.80
6.	Connecticut	\$7,999,077.95	465,754	\$17.17
7.	Louisiana	\$8,434,253.81	547,162	\$15.41
8.	Pennsylvania	\$22,123,559.06	1,501,476	\$14.73
9.	California	\$47,794,842.76	3,246,443	\$14.72
10.	Arkansas	\$6,671,991.76	469,450	\$14.21

The amount of Medicare overpayments (among Part A and Part B claims) per state are pulled from the recently released CMS report, *Recovery Auditing in Medicare for Fiscal Year 2015*. CMS has also provided data regarding the [number of Medicare beneficiaries](#) in each state.

Interestingly, Delaware, also among the states with the least number of Medicare beneficiaries, ranked among the top 10 states with the highest Medicare waste per beneficiary.

Some states on the list were also among those ranked highest for Medicare waste per beneficiary the previous year:

- The District of Columbia ranked 1st in both FY2014 and FY2015,
- Arkansas moved from 10th in FY2014 to 2nd place in FY2015,
- Louisiana moved from 5th in FY2014 to 7th place in FY2015,
- Oklahoma moved up one spot from its previous 6th-place ranking, and
- Texas moved up five spots from 8th in FY2014 to 3rd place in FY2015.

Additionally, Mississippi, North Dakota, Colorado, New Mexico and South Dakota appeared on the 2014 ranking but improved and are no longer found among the top ten states for Medicare waste in FY2015.

The full amount of Medicare improper payments per beneficiary per state is likely much higher, as this report looks solely at overpayments identified by the Recovery

Audit Contractor Program (RAC), which reviews a very small percentage of a provider's Medicare Part A and Part B post-payment claims to identify improper payments and either return overpayments back to the Medicare Trust Funds or identify underpayments and ensure the provider is paid the correct amount for their services.

"The auditing of Medicare claims to recover improper payments is more necessary than ever to ensure the program will still be in place when beneficiaries need it in the future," said Walter. "Ask your Members of Congress to support the RAC program's vital work to prevent the waste of your taxpayer dollars."

Congress created the RAC program to review post-payment Medicare FFS claims and recover funds that are inappropriately paid out from the Medicare Trust Fund. Since auditing began, RACs have returned more than \$10 billion back to the Medicare Trust Fund all while reviewing less than 2 percent of a provider's Medicare claims.

"Each state must do their part to activate and curb Medicare misbilling," said Walter. "If all entities involved made eradicating waste a priority, we would not have to worry about losing this vital program in 2028."

For more information, please visit: www.medicareintegrity.org.

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About the Council for Medicare Integrity The Council for Medicare Integrity is a 501(c)(6) non-profit organization. The Council's mission is to educate policymakers and other stakeholders regarding the importance of healthcare integrity programs that help Medicare identify and correct improper payments.