



Highlights of [GAO-05-45](#), a report to the Senate Committee on Finance, the House Committee on Energy and Commerce, and the House Committee on Ways and Means

Why GAO Did This Study

The Medicare appeals process has been the subject of widespread concern in recent years because of the time it takes to resolve appeals of denied claims. Two federal agencies play a role in deciding appeals—the Department of Health and Human Services (HHS) and the Social Security Administration (SSA). Currently, neither agency manages and oversees the entire multilevel process. In the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Congress mandated that SSA transfer its responsibility for adjudicating Medicare appeals to HHS between July 1, 2005, and October 1, 2005. In addition, it directed the two agencies to develop a transfer plan addressing 13 specific elements related to the transfer. GAO’s objective was to determine whether the plan is sufficient to ensure a smooth and timely transition.

What GAO Recommends

GAO recommends that the Secretary of HHS and the Commissioner of SSA take steps to complete a substantive and detailed transfer plan that includes contingency provisions. HHS, with one exception, and SSA generally agreed with the recommendations. HHS stated the recommendation to develop contingency plans for four elements was unnecessary. GAO believes a contingency plan for each congressionally mandated element would best ensure a smooth and timely transition.

www.gao.gov/cgi-bin/getrpt?GAO-05-45.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Leslie G. Aronovitz at (312) 220-7600..

MEDICARE

Incomplete Plan to Transfer Appeals Workload from SSA to HHS Threatens Service to Appellants

What GAO Found

Transferring the Medicare appeals workload from SSA to HHS requires careful preparation and the precise implementation of many interrelated items. The transfer is mandated to take place no later than October 1, 2005. SSA and HHS have stressed their commitment to ensuring a successful transfer of the administrative law judge (ALJ) level of the Medicare appeals process, and both agencies have emphasized that they are continuing to further develop details of the plan. Although the plan generally addresses each of the 13 elements mandated by MMA, it omits important details on how each element will be implemented. Furthermore, the plan overlooks the need for contingency provisions, which could prove to be essential, should critical tasks not be completed in a timely manner. GAO believes that this essential information is needed to facilitate a smooth and timely transfer. Its absence makes it unclear how the transfer plan will be implemented and threatens to compromise service to appellants.

Completeness of Medicare Appeals Transfer Plan

Plan elements mandated by MMA	Characteristics of the transfer plan		
	Addresses MMA requirements	Contains detailed information	Includes contingency plan
1. Transition timetable	●	○	○
2. Workload	●	○	○
3. Cost projections and financing	●	○	○
4. Regulations	●	○	○
5. Feasibility of precedential authority	●	●	○
6. Geographic distribution	●	○	○
7. Access to ALJs	●	○	○
8. Shared resources	●	○	○
9. Case tracking	●	●	●
10. Hiring	●	○	○
11. Training	●	○	○
12. Independence of ALJs	●	○	○
13. Performance standards	●	○	○

- This aspect of the plan is complete
- ◐ This aspect of the plan is partially complete
- This aspect of the plan is incomplete

Source: GAO analysis of Medicare appeals transfer plan and supporting information.