DEPARTMENT of HEALTH and HUMAN SERVICES

Centers for Medicare & Medicaid Services

FY 2010 Online Performance Appendix

Introduction

The FY 2010 Online Performance Appendix is one of several documents that fulfill the Department of Health and Human Services' (HHS) performance planning and reporting requirements. HHS achieves full compliance with the Government Performance and Results Act of 1993 and Office of Management and Budget Circulars A-11 and A-136 through the HHS agencies' FY 2010 Congressional Justifications and Online Performance Appendices, the Agency Financial Report, and the HHS Citizens' Report. These documents are available at http://www.hhs.gov/asrt/ob/docbudget/index.html.

The FY 2010 Congressional Justifications and accompanying Online Performance Appendices contain the updated FY 2008 Annual Performance Report and FY 2010 Annual Performance Plan. The Agency Financial Report provides fiscal and high-level performance results. The HHS Citizens' Report summarizes key past and planned performance and financial information.

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Message from the Acting Administrator

I am pleased to present the Centers for Medicare & Medicaid Services' (CMS) FY 2010 Online Performance Appendix to the FY 2010 Annual Performance Budget. CMS is the largest purchaser of health care in the United States, serving over 98 million Medicare, Medicaid, and Children's Health Insurance Program (CHIP) beneficiaries. We take this role very seriously, as our oversight responsibility impacts millions of lives and has grown dramatically over the last few years.

On February 17, 2009, the Administration committed to investing Recovery Act dollars with an unprecedented level of transparency and accountability so Americans know where their tax dollars are going and how funds are being spent. We are committed to increasing transparency, reducing costs and ensuring that the dollars received by CMS are being invested in initiatives and strategies that make a difference for our beneficiaries.

This Online Performance Appendix illustrates CMS' vision to achieve a transformed and modernized health care system for America. Over the years, our dedicated workforce has managed and implemented our programs, made sure those who provide health care services are paid the right amount at the right time, worked toward a high-value health care system, increased consumer confidence by making more information available, and continued to develop collaborative partnerships. CMS' Online Performance Appendix highlights our progress on agency performance goals and improving program effectiveness.

To the best of my knowledge, data used to measure each performance goal are accurate, complete and reliable, and there are no material inadequacies with the data presented.

On behalf of our beneficiaries, I thank you for your continued support of CMS and its FY 2010 Online Performance Appendix**.**

/Charlene Firzzera/
Charlene Frizzera

Table of Contents **Page**

American Reinvestment and Recovery Act

The American Reinvestment and Recovery Act (ARRA) was signed into law by President Obama on February 17, 2009. It is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. The Act is an extraordinary response to a crisis unlike any other since the Great Depression, and includes measures to modernize our Nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

Total amount of CMS ARRA funding is $36,858,000,000 for FY 2009 and $42,858,600,000 for FY 2010. This total covers health information technology (HIT), healthcare-acquired infection (HAI) surveys, Medicare fee-for-service (FFS) claims reprocessing, and Medicaid provisions.

Health Information Technology received $140,000,000 in program management funding in FY 2009 and $140,000,000 in FY 2010 to encourage adoption of health IT by providing incentive payments to doctors, hospitals, and other providers for the implementation and use of certified electronic health records (EHR).

HAI received $1,000,000 in FY 2009 and $9,000,000 in FY 2010 through an intra-agency agreement with the Department of Health and Human Services for increased surveys of ambulatory surgical centers to help reduce healthcare-acquired infections.

Medicare FFS Claims Reprocessing received $2,000,000 in FY 2009 to reprocess FFS Medicare claims that were impacted by a moratorium on certain Medicare regulations.

Additional Medicaid funding is estimated at $36,715,000,000 in FY 2009 and $42,709,600,000 for: increased Medicaid costs for a temporary increase in the Federal medical assistance percentage (FMAP); disproportionate share hospital (DSH) payments; extension of the Transitional Medical Assistance (TMA) program; extension of the qualifying individuals (QI) programs; and protections for American Indians/Alaskan Natives; also funds are included for State administrative health IT expenditures.

More information on these and other ARRA programs can be found at www.hhs.gov/recovery.

Summary of Performance Targets and Results

Centers for Medicare & Medicaid Services (CMS)

Fiscal Year	Total Targets	Targets with Results Reported	Percent of Targets with Results Reported	Total Targets Met	Percent of Targets Met
2005	49	49	100%	39	80%
2006	45	45	100%	42	93%
2007	46	46	100%	42	91%
2008	53	43	81%	38	88%
2009	52	7	12%	5	83%
2010	43	0	0%	0	0%

CMS Online Performance Appendix Performance Measures Table

Program: Medicare Operations

Measure	FY	Target	Result
MCR 2.1: Medicare Prescription Drug Program: Enhance Medicare Appeals System (MAS) functionality and support major maintenance releases	*2009*	Enhance MAS functionality and support major maintenance releases	Oct 31, 2009
	2008	Enhance MAS functionality and support major maintenance releases	MAS functionality enhanced and major releases were supported (Target Met)
MCR 2.2: Medicare Advantage: Enhance MAS functionality and support major maintenance releases	*2009*	Enhance MAS functionality and support major maintenance releases	Oct 31, 2009
	2008	Enhance MAS functionality and support major maintenance releases	MAS functionality enhanced and major releases were supported (Target Met)
	2007	Enhance MAS functionality and support major maintenance releases	MAS functionality enhanced and major releases were supported (Target Met)
	2006	Fully integrate IRE data reporting into the MAS	Fully integrated IRE data reporting into the MAS (Target Met)
	2005	Begin integrating IRE data reporting into the MAS functionality	Began integrating IRE data reporting into the MAS functionality (Target Met)
MCR 2.3: Fee-for-Service: Enhance MAS functionality and support major maintenance releases	*2009*	Enhance MAS functionality and support major maintenance releases	Oct 31, 2009
	2008	Enhance MAS functionality and support major maintenance releases	MAS functionality enhanced and major releases were supported (Target Met)
	2007	Enhance MAS functionality and support major maintenance releases	MAS functionality enhanced and major releases were supported (Target Met)
	2006	Develop the third increment of the MAS	Developed the third increment of the MAS (Target Met)
	2005	Develop the second increment of the MAS	Developed the second increment of the MAS (Target Met)

Measure	Data Source	Data Validation
MCR 2.1 MCR 2.2 MCR 2.3	The Medicare Advantage Organization provides the Independent Review Entity (IRE) with appeals data to enable the IRE to report and maintain aggregate data in its system. The IRE ultimately will report data into the MAS. Aggregate FFS data are entered into the Contractor Reporting of Operational Workload Data (CROWD) system by FIs, carriers, and Medicare Administrative Contractors. The Medicare Appeals System tracks FFS data for the level two Qualified Independent Contractors and level three Administrative Law Judges.	CMS utilizes the Contractor Performance Evaluation (CPE) process to evaluate the performance of FIs and carriers.

MCR2: Improve Medicare's Administration of the Beneficiary Appeals Process

The appeals process is a critical safeguard available to all Medicare beneficiaries, allowing them to challenge denials of payment or service. Under fee-for-service (FFS) Medicare, beneficiaries and providers have the right to appeal a denial of payment by a Medicare Fiscal Intermediary, Carrier, or Medicare Administrative Contractor (MAC). Under the Medicare Advantage program, these appeals may also involve pre-service denials of care, thus opening the possibility of restricted access to Medicare services.

The Medicare Appeals System (MAS) is a workflow tracking and reporting system designed to support the end-to-end level two and level three appeals process. In the MAS, the Qualified Independent Contractors (QIC) for FFS, the Independent Review Entity for Medicare Advantage, the Part D QIC, and the level three Office of Medicare Hearings and Appeals process and adjudicate Medicare appeals in one system. To help improve the functionality of the MAS, CMS meets with the system developer/maintainer on a weekly basis to identify system enhancement needs. As a result, the MAS is better equipped to meet the informational needs of CMS and the QIC program. The MAS provides more reliable and consistent data with each upgrade, and allows management staff to make better decisions at all levels of the program.

CMS met the FY 2008 goal when two major releases went into production on March 24, 2008 and September 15, 2008. The September 15, 2008 MAS release included a real-time interface to the systems used by the Fiscal Intermediaries, Carriers, and MACs to process claims and appeals. This enables MAS users to retrieve and import accurate claims information, thereby reducing data input and keying errors.

The FY 2009 goal is to enhance the MAS and support major MAS releases in order to bring the system more in-line with the user needs. CMS expects to continue enhancing the system over the next few years in order to simplify the appeals process and better serve the beneficiary and provider communities. CMS is on target to meet the FY 2009 goal and expects to implement several MAS releases. The releases should enhance the imaging functionality and promote the use of an electronic appeals case file.

With the implementation of the QICs for all aspects of Medicare and the implementation of the MAS, CMS is discontinuing the appeals GPRA goal after FY 2009.