

### **Medicare is a Single Funder Program**

Medicare can better be described as a Single Funder program, not a Single Payer program. Government employees don't pay Medicare claims. "Medicare Fiscal Intermediaries" do. There are dozens of fiscal intermediaries, and many sub-contractors too, including my own company. Some are for-profit insurance companies, some are not-for-profit companies. The Feds set the Medicare rules, including establishing the benefit structure, setting various fee schedules, determining premiums, collecting premiums, etc. Then the Feds, through a competitive bidding process, hire the claims payers, the fiscal intermediaries. These organizations that actually process the claims and pay providers and beneficiaries are bound by the many Medicare coverage and payment rules. They don't make extra money when they deny claims. Interestingly, the Feds contract with specialty companies that act on behalf of Medicare beneficiaries whenever a denied or disputed claim is appealed. Medicare payment rules are complex and sometimes arcane, and the fiscal intermediaries – the claims payers – don't always get it right. About half of the appeals are ruled in favor of the beneficiary and against the decision of the fiscal intermediary.

Is Medicare a government program? Of course. Does the government get involved between a Medicare patient and his or her doctor? No! To be sure, an organization hired by the government is intimately involved in the process of paying claims – but it's not the government.

Stephen D. Hooper  
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