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May 8, 2008

The Honorable Kerry N. Weems
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Acting Administrator Weems:

Organizations and functions under your direction are categorized as high risk programs by the Government Accountability Office (GAO). GAO has found that Medicare and Medicaid programs are at high risk, principally due to financial management and fiscal integrity concerns. Medicare was designated by GAO as being at high risk in 1990, and Medicaid received the high risk designation in 2003.

I am writing to express my concern that Medicare and Medicaid continue to be designated as high risk after 18 and 5 years, respectively. With rising health care costs and the coming retirement of the baby boomers, the need for dramatic improvement is critical. It is well understood that institutional change is often complex and takes both time and resources to transform these often unwieldy programs. However, strategic planning and budgeting can yield staggering results with disciplined management and oversight. As Acting Administrator, you are uniquely positioned to guide this process.

The CMS currently has 39 reports with multiple issues identified by the GAO that remain outstanding. What actions has CMS taken to address these issues and achieve removal from the GAO high risk list in January 2009? Your prompt response is greatly appreciated.

Please do not hesitate to contact me or Sheldon Shoemaker of my staff at (202) 228-6476 if you would like to discuss these concerns or other matters.

Sincerely,

CLAIRE McCASKILL
United States Senator

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